

HOME NEWS

BMA rejects closed shop but leader hints at sanctions to restore doctors' status

From John Roper
Health Services Correspondent
Glasgow

Persuasion and force are the only two ways of getting better pay and conditions for the medical profession, Dr. James Cameron, chairman of the council of the British Medical Association, told the annual representative meeting, the doctors' parliament which decided policy, at its opening session in Glasgow yesterday.

He appeared to favour persuasion while not ruling out a clash with the Government leading to some sort of sanctions.

"A certainty is that we, as part of the professional classes, are no longer prepared to see our place in society undermined any further by measures said to be needed for national survival but often having more relevance to political philosophy or even political chicanery," he said, to applause.

A motion against affiliation with the TUC was overwhelmingly carried and one proposing a closed shop decisively rejected. A proposal that Mr

Ennals, Secretary of State for Social Services, should be invited to address the conference tomorrow was defeated.

Dr Cameron was cheered and received a standing ovation from the 600 delegates. He said a statement by Mr Ennals deploring decisions by hospital doctors to take industrial action, was unfortunate.

"I hope Mr Ennals will take careful note of these words of mine because his uncompromising statement has done nothing to ease my task today or cool the justified anger of doctors," he said.

Dr Cameron said that a clash with the Government would undoubtedly follow if it invoked "obvious and compelling reasons" (as can be done under the terms of reference) to implement an interim award by the independent review body.

"It would hardly be realistic to attempt to redress wholly the underpayment of years at a stroke, but I have no doubt that the struggle for better terms is now on and that now is the time to demonstrate our will to win," he said.

He doubted whether most doctors would be prepared, however serious the dispute, to withdraw entirely from the sick and injured. The difficulty was to adopt sanctions that did not conflict with a doctor's fundamental obligation to his patients.

The question now was whether to accept the present situation in sullen silence or adopt the union weapons and go along the road leading to the closed shop and affiliation to the TUC.

Dr Cameron said the profession was finding allies in such professional workers as engineers, bankers and senior managers, who had put their case to the Financial Secretary to the Treasury and the Secretary of State for Employment last Tuesday.

As long ago as January 1967, the profession had told Mr Kenneth Robinson, then Minister of Health, that it faced a continuous increase in work. To contain that, junior doctors had negotiated a closed contract and consultants now wished to do the same.

It is totally unreasonable of the Government or the pub-

lic to expect that doctors should carry an increasing and limitless burden of work and be paid duty or on call for the whole of the time on a fixed salary. That era has come to an end," he said to applause.

The fact that in comparison with incomes in Europe and elsewhere the medical profession in Britain was pitifully underpaid was a constant threat to standards of care.

In the debate on affiliation to the TUC, Dr W. J. Appleby, of Canterbury, a member of the council, said the attitude of the TUC to doctors was one of arrogance. Mr Len Murray, the general secretary, had criticized hospital doctors without first finding out what they wanted. The TUC thought that doctors were already overpaid members of the health care team and planned to reduce their status.

Dr R. A. Keable-Elliott, chairman of the Family Doctors' Committee, gave modified support to a closed-shop system. People who worked in the NHS should contribute to the running cost of negotiating their pay and conditions, he said.

NUM rejects TUC plea for pay claim moderation

By Tim Jones
Labour Staff

A blunt rejection of the TUC economic committee's appeal for moderation in the coming round of pay claims came yesterday from leaders of the National Union of Mineworkers, who indicated they would be swayed from their determination to secure rises of up to £64 a week for coalface workers from November 1.

Under present pay policy, which incorporates the 12-month rule between settlements, the miners are not eligible for more money before next March.

Earlier this week the economic committee placed great stress on maintaining a 12-month rule and warned powerful unions that they would jeopardize the weak if they insisted on regaining in money terms ground apparently lost since 1973 or earlier.

Mr Arthur Scargill, president of the Yorkshire miners, repeated his opposition to any further wage restraint and urged unions to ignore the 12-month rule. Mr Michael McGehehey, the union's vice-president, said: "We must reject any further stratagem."

Leaders of the National Union of Railworkers confirmed their intention of pressing ahead with a 63.5 per cent wage rise next April. Mr Russell Tuck, acting general secretary, said that while the union would observe the 12-month rule it was committed to resisting wages to the May, 1975, position.

Conciliatory move: A supervisor was suspended by the National Coal Board last night in an attempt to avoid a strike by South Wales miners on August 8. The strike threat was issued earlier yesterday.

The broad-based National Union of Mineworkers had agreed that the man, who was disciplined for a breach of safety regulations, should be suspended until the outcome of an independent inquiry. It had also agreed to accept the findings of the inquiry.



Grunwick workers voting in yesterday's poll.

No pressure in Grunwick opinion poll

Continued from page 1

In February, which gave similar results, had been preceded by pressure on staff to vote against the union.

Although this allegation was totally without justification, Mr Ward said, "the company has taken great care to ensure that this new test of opinion by an entirely different organization is beyond any such criticism. Until today, when the Gallup Poll organizers were present, no member of the work force had any knowledge that an opinion poll was to be conducted."

The poll was carried out under the personal supervision of Mr Webb. He said that during the poll informal inquiries were made by his staff to establish whether there had been any prior pressure to vote one way or another, but they had found absolutely no evidence of such pressure.

Last night the Grunwick strike committee said the poll was worthless because it was carried out in a "climate of fear".

Postal workers in London's overseas section refused yesterday to handle 20,000 Grunwick packages sent for distribution abroad and were immediately accused of breaking the law.

This action appears to be in direct breach of the Post Office Act, Mr Malcolm Alden, a Grunwick director, said. If the foreign section refuses to handle our mail they are outside the law."

In Cricklewood, businessmen seriously affected by the postal boycott have set up an action group in an attempt to secure the release of their mail.

Proposals on quotation of VAT are endorsed

By Our Consumer Affairs Correspondent

The Consumer Protection Advisory Committee has, with some modifications, endorsed proposals made by Mr Gordon Barrie, Director General of the Office of Fair Trading, to prohibit the quotation of prices and charges exclusive of VAT.

Mr Barrie referred the practice, and that of quoting VAT-exclusive recommended retail prices to the committee in January under the Fair Trading Act, 1973, on the ground that they adversely affected the economic interests of consumers.

In its report, published yesterday, the committee concludes that it could find no evidence of economic loss arising from the quotation of recommended retail prices, and does not propose to control it.

It also rejects Mr Barrie's proposal that it should be illegal to show VAT-exclusive prices unless the aggregate price including VAT is given equal prominence alongside. The committee decided that it would be sufficient for the amount of VAT to be added to be clearly shown, without making it a criminal offence for the trader to do the addition himself.

Another modification, applying to fixed-price quotations and estimates only, allows the rates of VAT to be charged to quoted with the VAT-exclusive price, instead of the actual amount of VAT.

VAT-exclusive Prices: A report on practices relating to advertising, display or otherwise quoting VAT-exclusive prices or charges (House of Commons Paper 416, Stationery Office, 50p).

Dr J. P. Mackintosh

Dr John P. Mackintosh, Labour MP for Berwick and East Lothian, has had to have a heart operation in Edinburgh Royal Infirmary. He was admitted on Monday with a respiratory complaint.

Reorganization of NHS proposed

By Our Social Policy Correspondent

The Labour Party has called for further local government and health service reorganization in evidence to the Royal Commission on the National Health Service.

It proposes that about two hundred district health councils should replace the area health authorities and district management teams. They would be separate from a reorganized local government structure of about two hundred district authorities.

The health councils would run the service day to day, and revised regional authorities would control distribution of cash and staff.

The party affirms its belief in strong central direction of the health service. It rejects the notion of raising finance locally, emphasizing that the national principle must be preserved and strengthened.

To improve democratic accountability, it suggests that the new health authorities should have a tripartite structure, a third of the members being elected by all NHS staff, a third directly elected by local voters, and a third nominated by the Secretary of State for Social Services.

The party's evidence was published yesterday in a booklet, *The Right to Health*. The booklet includes proposals published earlier this year for reforms in medical education to reflect wider health needs; policies to encourage more careful use of drugs; and a narrowing of the gap in health care between different parts of Britain and different social classes.

It also calls for policies to promote the introduction of local health centres, including a change in procedures to allow young, go-ahead family doctors to be brought into

areas badly served by existing GPs. It urges that the capital budget for the service should be increased by at least half over the next 20 years, to modernize or replace buildings. Overall spending on the health service should go up by at least 3 per cent a year.

Mr Barbara Castle, MP, the former Secretary of State for Social Services, who chaired the working party which compiled the evidence, said yesterday that the report was "a charter of hope for restoring all the original aims of the NHS".

Mr Ennals, Secretary of State for Social Services, issued a statement yesterday, in which he said the Government was giving "full-blooded support to the basic principle of a national health service paid for out of general taxation but free at the time of use".

The Right to Health, Labour's plans for the National Health Service, 50p.

The Irish take a stiff line over the hard stuff

By Michael Horsnell

Few things are more contemptible to the Irish than drinking to excess, according to a report commissioned by the Irish Catholic Bishops' Conference.

A little too much of the hard stuff earns great disapprobation from the lay Catholics of the republic who constitute 96 per cent of the population. Except in extenuating circumstances, of course.

On the good authority of a significant number of the 2,623 people interviewed by the conference's research and development unit, drinking to excess might just be pardonable if one is "celebrating" or "under pressure".

That observation which clearly destroys the popular myth that the Irish like a drink or two, was announced yesterday by the Catholic Press and Information Service in Dublin. The report, the third of a series of four into moral values of Catholics, says drinking to excess evokes almost universal disapproval, with three in four

regarding it as always wrong and one in five as generally wrong.

But, the report says, "the main exception given by the 'generally wrong' group is in the case of weddings, parties and celebrations. Alcoholics are singled out by one in five of those making exceptions. A small proportion would judge the situation according to whether or not the drinker has dependants. About a seventh of the exceptions were 'if worried / upset / under pressure'."

In comparison, more than 85 per cent of those interviewed regard missing Mass as wrong, while 59.4 per cent believe "failing to do Easter duty" is always wrong, and 47.6 per cent say the same applies to not paying dues.

The report also challenges the image of the Irishman as a fighter. Killing, or seriously injuring someone is thought to be wrong by 99.5 per cent, with only a third seeing possible exceptions such as against self-defence or in a "just war".

Soya protein urged for school meals

By Our Agricultural Correspondent

More than £2.5m a year could be saved by replacing some meat in school meals with protein made from North American soya beans, processors said yesterday. That would be the saving if only a tenth of meat served was replaced by soya, as recommended by the Government's scientific advisers.

Mr Eric Learmonth, chairman of the Vegetable Protein Association, said in London yesterday that replacement of three per cent of meat would raise the saving to £7.5m.

"This is going to maintain the protein content of the British diet," Mr Learmonth said. "Countries like our are either going to have to go without meat or pay a very high price."

Soya protein, which can be added to mince meat without changing the latter's taste or appearance, costs caterers 9p a pound after water is added to it. Livestock farmers see it as a threat to their livelihood.

New talks expected soon on Ulster devolution

From Stewart Tendler
Belfast

Fresh talks between civil servants and political leaders in Northern Ireland on the possibilities of devolved administration are expected next month.

It is accepted that it may be six months or more before success of failure in the talks can be determined.

The hope remains that a form of advisory assembly can be set up, creating a tier above the local district councils. There would be no executive body but a committee system covering areas of given responsibility. If the assembly, numbering between 60 and 80, succeeded, the next stage could be a form of devolved government.

The Alliance Party's talks have been the point where questions of the details and powers of the first stage have been discussed. It now awaits the result of talks with the Ulster Unionists and the Social and Democratic Labour Party. The position of the Ulster Unionists is complex. Some

observers suggest that divisions exist in the party over what is wanted. Publicly the party is committed to a speedy return to a devolved parliament on the lines of the old Stormont. The upper-tier suggestion is seen as a reform of local government and does not reach the heart of the matter as far as the Unionists are concerned.

The party continues to support the recommendations of the Convention report that suggested a committee system allowing Roman Catholics some entry into power, but topped by a Cabinet based on the results of an election. Power-sharing would not be envisaged.

Some unionists are reported to oppose a preliminary system of committees in an upper-tier council because that could be considered power-sharing.

The SDLP is also reported to be divided over the possibilities before it and some members are reluctant to accept any form of assembly without power-sharing. They would certainly seek power-sharing in any Cabinet arrangement proposed in the second stage of a settlement.

Record receipts reported by building society

By Margaret Drummond

Investment receipts and mortgage approvals reached record levels in the first half of this year, Mr Leonard Williams, chief general manager of the Nationwide Building Society said yesterday.

Nationwide's assets increased by 9.9 per cent to £2,505m in the six months to the end of June. Receipts totalled £582.5m, an increase of £93.5m on the same period last year.

Withdrawals rose to £364.1m, but net receipts were still £218.4m. Mortgage advances totalled £251m, £2.2m more than in the first six months of last year.

Mr Williams said that Nationwide was approving loans at a rate of more than £60m a month. In the first six months more than half of Nationwide loans went to first-time house buyers and a third were on pre-1914 properties.

It seemed unlikely there would be a rapid increase in house prices this year unless earnings growth accelerated.

MPs' worry at prospect of judging colleagues

By David Wood
Political Editor

The Cabinet is expected to decide at 10 Downing St this morning whether to take next Tuesday's debate the Commons a motion that House takes note of the report of the select committee inquired into the conduct of MPs involved with the A. J. G. L. Poulton. The alternative motion that House approves the report.

In either event, all the 11 members named in the report Mr Maudling, Mr John G. and Mr Alfred Roberts, have an immediate opportunity to make a personal statement to the House.

Many frontbenchers backbenchers on both sides the House are deeply torn by the prospect of having in judgment on colleagues they wrote on Tuesday night.

Mr John Parker, a Labour backbencher, has motions calling for the resignation of Mr Cordle "for contempt of this House", censuring Mr Maudling, former Chancellor of the Exchequer, and Mr Roberts "for an inconsistent with the standards this House is entitled to demand from its members".

Erskine May's *Parliamentary Practice* makes clear that penalties are available in the House by members' motion and expulsion is a serious, if not a heavy, penalty of the House.

It is 30 years since a member was expelled, and MPs then sat in the House from a reputation of experience. The speaker put it, assumes his tribune hat and order. Sir John G. Poulton, a former member of the House, is not a member of the House.

It is the Westminster-e lent of a drum-head martial, profoundly painful everybody who takes part. Some senior MPs say that they wish the House whole and they then could be spared the such an awesome ritual. Parker's motion against Cordle is carried.

Oddly, *Parliamentary Practice* makes the point that the House of Commons is a disciplinary assembly not so much to punish as to "rid the House of those who are unfit for membership".

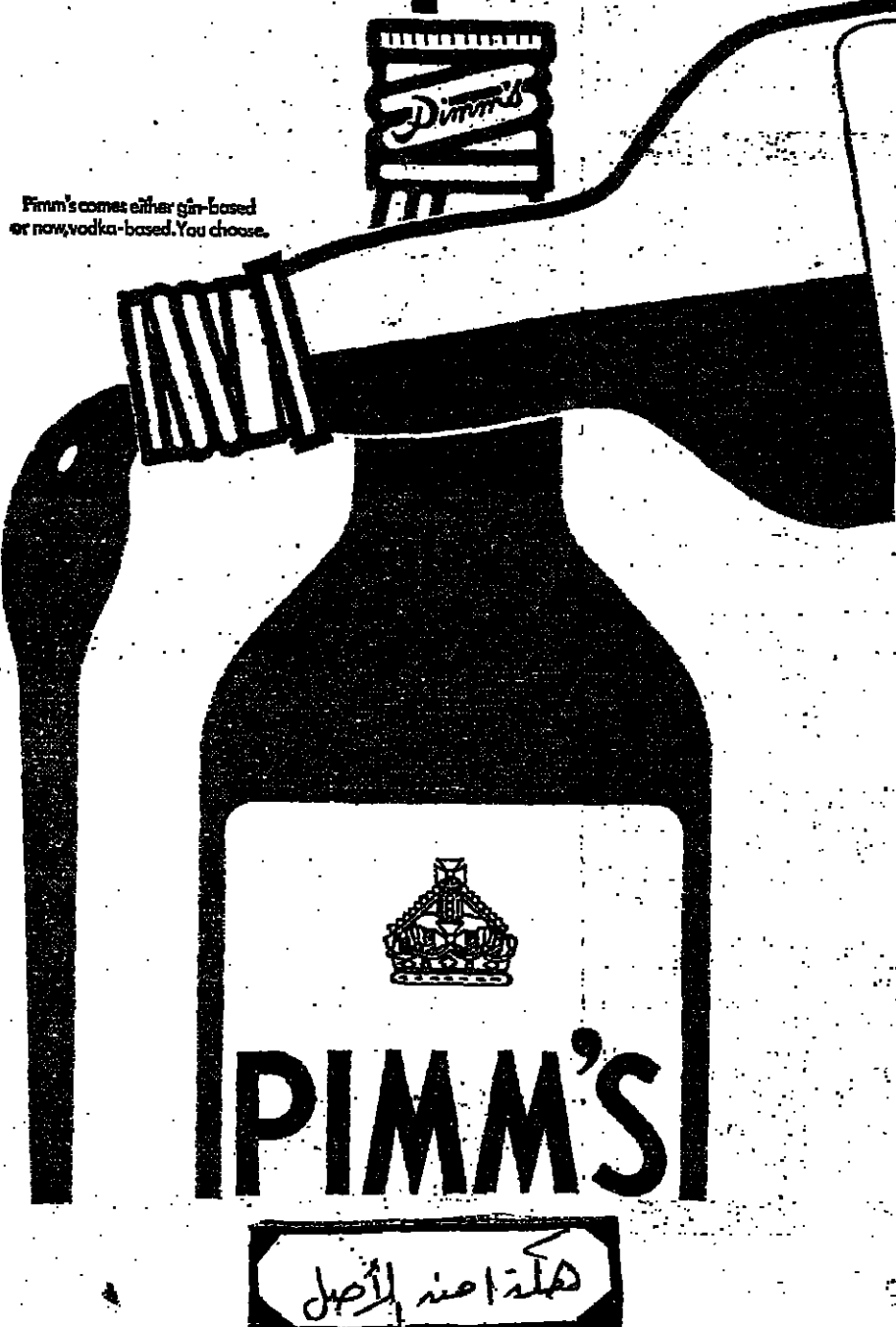
Though a decision to a member vacates the seat, a writ for a by-election immediately issued, it does not disqualify the expelled MP's seat. Parliament if he is expelled. The case law includes Wilkes, who was expelled in 1764 and again in 1791. Charles Bradlaugh, who was expelled in 1882 was re-elected in 1882.

Profit margin on potatoes

The commission also that the gross margin on potatoes, cabbages, sweetcorns were all more than in the pound early this year. The Price Commission's latest survey of vegetable prices says that gross profit on potatoes in May was in the pound almost the level of a year before.

Midsummer downpour.

Pimm's comes either gin-based or now vodka-based. You choose.



Helicopter chief described as uncompromising baron

From Our Correspondent
Glasgow

Mr Alan Bristow, chairman of Bristow Helicopters, was described at a government inquiry in Glasgow yesterday as "an uncompromising baron".

The inquiry, before Lord McDonald, the Scottish judge, is into the claims at Bristow Helicopters in Aberdeen, which led to a seven-week strike by pilots operating to the North Sea oil rigs.

A letter, from one of the dismissed pilots, Captain Brian Bristow, and signed by Mr Michael Tugendhat, counsel for the Bristow Helicopter Company, was alleged to have been sent to Mr Bristow. It stated: "You insist we are in breach of contract. Sir, our contracts have been compared to those of bondsmen in the fourteenth century. No serf has had a more uncompromising baron."

The inquiry continued beyond its scheduled closing time last night to allow Mr Bristow to give his side of the story.

Mr Tugendhat asked: "Do

you regularly employ members of unions?"

Mr Bristow replied: "I have never asked, and I hope none of my staff has ever asked, a person whether he is a member of a union or not, whether they are Jewish, Christian or members of the Chinese Bible Society. It is not something I would tolerate."

Mr Bristow said the company had rejected a claim by the British Airline Pilots' Association (BAPF) for recognition in March this year because it did not represent most of the pilots in the company.

He said he had no part in the transfer of Captain Peter Royston to Nigeria.

The personality of Captain Royston, aged 32, the central figure in the dispute, was discussed.

First Officer David Lewis, aged 29, now flying for Bristow in Nigeria, said he was not satisfied with flights he shared with Captain Royston, who had an arrogant manner in the cockpit.

The inquiry continues.

Wide regional variations in waiting lists for trial

By a Staff Reporter

Questions of justice apart, treatment at the hands of the law depends considerably on where one comes into contact with it, according to judicial statistics for 1976 produced by the Lord Chancellor's Office.

That apparent fact of legal life surfaces most clearly in the way that criminal business is conducted in the Crown Courts in England and Wales.

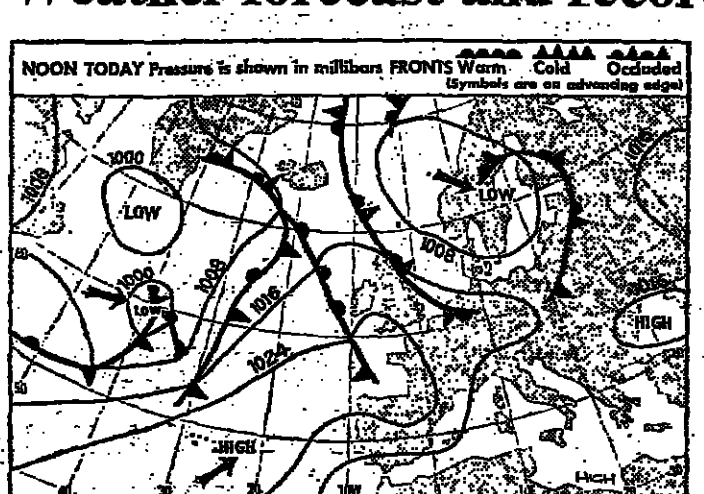
In London courts, for example, 19 per cent of defendants committed for trial are dealt with in less than eight weeks, and 57 per cent in less than 20 weeks. In the West, on the other hand, 77 per cent are dealt with in less than eight weeks, and 98 per cent in less than 20 weeks.

The increase in the number of cases outstanding also varies, with an increase of 32 per cent in London and the South-east and 15 per cent in the Midlands and Oxford Circuit.

There is a considerable variation in the proportion of defendants pleading guilty: 70 per cent of defendants in the North-east do so, compared with 42 per cent in London.

Elsewhere figures show the increasing burden on the legal system. In the Court of Appeal (Criminal Division) for example, there were 6,499 appeals registered in 1976, compared with 5,107 in 1975. Judicial Statistics, Annual Report 1976, Stationery Office, Cund 6875: £2.50.

Weather forecast and recordings



Today
Sun rises: 5.8 am
Sun sets: 9.5 pm
Moon rises: 11.1 am
Moon sets: 11.2 pm
First quarter: July 23.

Lighting up: 9.35 pm to 4.40 am.
High water: London Bridge, 5.42 am, 5.2m (23.5ft); 5.51 pm, 7.0m (23.0ft).
Low water: Avonmouth, 11.10 am, 12.6m (41.4ft); 11.22 pm, 12.6m (41.4ft).
Dover, 2.46 am, 6.2m (20.4ft); 3.6 pm, 6.4m (21.0ft).
Hull, 9.54 am, 7.1m (23.3ft); 10.31 pm, 6.6m (21.8ft).
Liverpool, 2.53 am, 9.0m (29.5ft); 3.21 pm, 8.7m (28.4ft).

Outlook for tomorrow:
Saturday: N and W parts will be rather cloudy, with rain at times; SE districts will be dry and warm, with sunny spells, but may have some rain later.
Sea passages: S North Sea, Straits of Dover: Wind NW fresh, becoming W light; sea moderate, becoming slight.
English Channel (E): Wind W moderate, occasionally fresh; sea slight of moderate.
St George's Channel, Irish Sea: Wind W fresh, becoming SW light moderate; sea moderate becoming strong.

Yesterday
London: Temp: max, 7 am to 7 pm, 19°C (66°F); min, 7 pm to 7 am, 13°C (55°F). Humidity: 7 pm, 75 per cent. Rain, 24hr to 7 pm, 0.07in. Sun, 24hr to 7 pm, 1013.5 bar, mean sea level, 7 pm, 1013.5 bar, rising.
1,000 feet bar = 29.53in.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; s, sun.
Aldershot: 18.0, 17.0, 16.0, 15.0, 14.0, 13.0, 12.0, 11.0, 10.0, 9.0, 8.0, 7.0, 6.0, 5.0, 4.0, 3.0, 2.0, 1.0, 0.0, -1.0, -2.0, -3.0, -4.0, -5.0, -6.0, -7.0, -8.0, -9.0, -10.0, -11.0, -12.0, -13.0, -14.0, -15.0, -16.0, -17.0, -18.0, -19.0, -20.0, -21.0, -22.0, -23.0, -24.0, -25.0, -26.0, -27.0, -28.0, -29.0, -30.0, -31.0, -32.0, -33.0, -34.0, -35.0, -36.0, -37.0, -38.0, -39.0, -40.0, -41.0, -42.0, -43.0, -44.0, -45.0, -46.0, -47.0, -48.0, -49.0, -50.0, -51.0, -52.0, -53.0, -54.0, -55.0, -56.0, -57.0, -58.0, -59.0, -60.0, -61.0, -62.0, -63.0, -64.0, -65.0, -66.0, -67.0, -68.0, -69.0, -70.0, -71.0, -72.0, -73.0, -74.0, -75.0, -76.0, -77.0, -78.0, -79.0, -80.0, -81.0, -82.0, -83.0, -84.0, -85.0, -86.0, -87.0, -88.0, -89.0, -90.0, -91.0, -92.0, -93.0, -94.0, -95.0, -96.0, -97.0, -98.0, -99.0, -100.0, -101.0, -102.0, -103.0, -104.0, -105.0, -106.0, -107.0, -108.0, -109.0, -110.0, -111.0, -112.0, -113.0, -114.0, -115.0, -116.0, -117.0, -118.0, -119.0, -120.0, -121.0, -122.0, -123.0, -124.0, -125.0, -126.0, -127.0, -128.0, -129.0, -130.0, -131.0, -132.0, -133.0, -134.0, -135.0, -136.0, -137.0, -138.0, -139.0, -140.0, -141.0, -142.0, -143.0, -144.0, -145.0, -146.0, -147.0, -148.0, -149.0, -150.0, -151.0, -152.0, -153.0, -154.0, -155.0, -156.0, -157.0, -158.0, -159.0, -160.0, -161.0, -162.0, -163.0, -164.0, -165.0, -166.0, -167.0, -168.0, -169.0, -170.0, -171.0, -172.0, -173.0, -174.0, -175.0, -176.0, -177.0, -178.0, -179.0, -180.0, -181.0, -182.0, -183.0, -184.0, -185.0, -186.0, -187.0, -188.0, -189.0, -190.0, -191.0, -192.0, -193.0, -194.0, -195.0, -196.0, -197.0, -198.0, -199.0, -200.0, -201.0, -202.0, -203.0, -204.0, -205.0, -206.0, -207.0, -208.0, -209.0, -210.0, -211.0, -212.0, -213.0, -214.0, -215.0, -216.0, -217.0, -218.0, -219.0, -220.0, -221.0, -222.0, -223.0, -224.0, -225.0, -226.0, -227.0, -228.0, -229.0, -230.0, -231.0, -232.0, -233.0, -234.0, -235.0, -236.0, -237.0, -238.0, -239.0, -240.0, -241.0, -242.0, -243.0, -244.0, -245.0, -246.0, -247.0, -248.0, -249.0, -250.0, -251.0, -252.0, -253.0, -254.0, -255.0, -256.0, -257.0, -258.0, -259.0, -260.0,

HOME NEWS

£5m scheme for policy studies institute in London proposed

By David Walker
of The Times Higher
Education Supplement

The Social Science Research Council yesterday announced a £5m scheme to establish an Institute of Policy Studies in London. The council will make an endowment of £2m over 10 years, provided the rest of the money can be found from charitable foundations, private companies and other sources.

The institute, which will in some respects resemble the Brookings Institution in Washington, will have a staff of 40 researchers by 1980. Its foundations such as Ford, Rowntree and Leverhulme are willing to cooperate with the council, a director will be appointed by Easter next year.

A recent personal attempt by Professor Ralf Dahrendorf, Director of the London School of Economics, to gather support for a "British Brookings" founded on the apparent reluctance of the Ford Foundation to provide a large sum for it.

In a statement of its plan, the details of which will probably be announced in September, the SSRC said: "The institute's work will strengthen the bridge between policy and analysis and between theory and practice in public decision making."

"The institute could be concerned with research into social

policies (for example, housing, education), the technological and environmental aspects of transport policies, the interaction of social and economic policies, government structures and systems and methodological problems."

Responding to the recently expressed anxiety of the independent policy studies centres, such as the National Institute for Economic and Social Research and the Royal Institute of International Affairs, about their finances, Mr Derek Robinson, chairman of the SSRC, said he hoped the pool of money available for policy studies would be increased by the SSRC's intention by competing for a limited amount of money to drive the independent centres out of existence, he said.

Prospects questioned: Disquiet about the prospect of a British Brookings was expressed at the annual meeting of the Royal Institute of International Affairs at Chatham House yesterday. Mr Robert Belgrave, a director of BP (Trading), a company that is a corporate member of the institute, spoke of the need to build on the proved strength of Chatham House and the other independent centres of policy studies rather than create a new body. The independent centres should pool expertise and costs and present a united front to financial contributors.

Reprieve for Trinity House role

By Michael Baily
Shipping Correspondent

Trinity House, whose ancient pilotage role around the British coast would be abolished under official proposals in 1974, is reprieved under new proposals published yesterday.

Instead of a central pilotage board controlling pilotage throughout the country, the Advisory Committee on Pilotage recommends pilotage commissioners in a mainly advisory role. Instead of replacing Trinity House with representative bodies in each of the big ports, the committee recommends that it should continue in the ports with a few representatives, London, Southampton, Harwich, Dover and about 40 others, if that is the wish of the pilotage interests in those ports.

Mr Clinton Davis, Under-Secretary of State at the Department of Transport, said in a written reply in the Commons that he was pleased the committee, including representatives from shipowners, port authorities, pilots, and Trinity House, had been able to reach an agreed report, and would consider its advice carefully in preparing legislation for the next session. The main recommendations are:

1. The actual running of pilotage services should remain a local responsibility.

2. The establishment of a central body to oversee research, appeals and complaints consisting of between 10 and 14 pilotage commissioners appointed by the Secretary of State with a small staff of about 10.

3. There should be no barrier to Trinity House continuing as pilotage authority where that is the wish of pilotage interests in districts in which it is established.

4. Pilotage certificates should be issued only to masters and chief officers of ships with a thorough knowledge of the district, and equivalent to that of a pilot.

5. Certificates to foreigners should be made available only gradually to competent masters and chief officers, initially of EEC states only.

6. Current exemptions from compulsory pilotage for fishing vessels, tug boats, and small craft should be re-examined.

7. The pay of pilots should be reorganised and the future of pilots' pensions secured.

8. Marine Pilotage, report of the Advisory Committee on Pilotage to the Secretary of State on the content of future pilotage legislation (Marine Division, Department of Transport, High Holborn, London WC1V 6LP).

9. The committee should be asked to consider the future of pilotage services in the Channel Islands and the Isle of Man.

10. The committee should be asked to consider the future of pilotage services in the Channel Islands and the Isle of Man.

Mail orders get more protection

By Our Consumer Affairs
Correspondent

A revised code of practice introduced by the Mail Order Publishers' Association yesterday offers additional protection to customers who buy books and records through the post.

The association, whose members include Time-Life, the Reader's Digest Association and Book Club Associates, has revised its code of practice since 1970, but the newly revised code has the backing of the Office of Fair Trading.

Customers must in future be given an address to which they can complain and advertisements must include a short statement of the precise terms of their offers.

The code is published by the Mail Order Publishers' Association, New Burlington Street, London, W1X 1FD.

'Lock away' call over hard young offenders

By Peter Evans
Home Affairs Correspondent

Magistrates should have resorted to them the power to deal with the persistent, hardened and perhaps seriously disturbed and disruptive young offenders, Mr Whitelaw, Conservative frontbench spokesman on home affairs, told the annual meeting last night of the National Association for the Care and Resettlement of Offenders (Nacro).

They were a group who must be locked away. One of the main criticisms made of the Children and Young Persons Act, 1969, was that it failed to provide for just that sort of offender, he said.

It did not differentiate successfully between children who needed care, welfare, better education and more support from society and the small minority who needed strict control and an element of punishment.

There was also a need to protect the public. Crime had risen by a tenth in the first three months of this year, compared with the same period last year. The rise in offences by juveniles was particularly serious.

Mr Whitelaw said he would press for the continued existence of senior attendance centres and detention centres. The former would be suitable for football hooligans. In many detention centres, the idea of a really tough, disciplined regime had tended to fade away.

More flexibility and clarity of definition were needed in the range of available sentences. There had been half-hearted support for the probation service over community service orders. Wherever possible young offenders should not be exposed to long periods in prison.

"It is unfortunate that at present the courts continue to be unable to send young adult offenders to prison except for terms of under six months or more than three years, he said.

He suggested a more effective use of the education system to identify potential and actual offenders and children under stress generally.

"We shall not be able to do this, nor shall we be able to help these children until we have in our schools a level of discipline, the commitment to inculcating civic virtues, tighter control over truancy, and perhaps above all a much higher level of educational achievement, which will help to ensure that all who leave our schools are literate and numerate, he said.



Members of the United States Army team clearing an obstacle on the assault course during the Inter-Ally Confederation of Reserve Officers competitions at Deepcut, Surrey, yesterday.

Delinquents provided with alternative to school

Former truants find new interests

From Pat Healy
Social Services Correspondent
Birmingham

Twenty delinquent children spent most of yesterday painting and cleaning the intermediate treatment centre in Birmingham that is helping to keep them out of institutions, ready for its opening today by Mr Roy Jenkins.

Mr Jenkins, as Home Secretary, sanctioned the urban aid grant of £83,000 to pay for the centre, ironically named All Saints, and 13 locally based intermediate treatment officers.

To mark his presidency of the European Community, the children decided to paint the national flags of the nine member states on a wall leading to one of the workrooms he will visit.

John, aged 15, a persistent truant who was brought to court after breaking into a factory, spent much of yesterday painting the sign that will greet Mr Jenkins.

He broke off at midday to iron a pair of trousers for Bernard, aged 14, whose main interest at the moment is her woodwork class. Keith, aged 15, a boy with a history of family difficulties and violence, helped to set up the chairs in the room where Mr Jenkins will make his speech.

The three are typical of the children aged between 12 and

16 who attend the centre each day during term time. They think of the centre as a school, although they are expected to attend formal lessons only part of the day, wear their own clothes and call the staff by their first names.

Most of the staff have social work qualifications and there is one qualified teacher. In spite of their previous persistent truancy most of the children happily travel long distances across the city to attend the centre, John goes up at 7am although he stayed away from his former school for two years before being sent to the centre.

The centre is one of several being set up throughout Britain as a base for intermediate treatment activities designed for children either in trouble at school or in residential care or leaving them at home under the occasional supervision of a social worker.

Of the first 14 children attending All Saints since it opened at the end of February, 10 would otherwise have gone to community schools, which have replaced the old approved schools, and one was destined for a detention centre.

All Saints is now coping with one child who is considered disruptive enough to go to a community home and two boys have left to start jobs.

One boy has refused to attend the centre, and even when taken there has refused

to participate in any of the activities which range from compulsory English and Mathematics to optional activities such as canoeing, boat-building, motor cycle riding, and a range of crafts open to both boys and girls. But most of the children have made remarkable progress.

Boys and girls unable to concentrate on an activity for more than a few minutes now spend 20 minutes absorbed in assembling model destroyers.

Their literary skills have advanced beyond recognition, according to their former teachers who are kept informed of their progress and visit the centre.

Perhaps more important, their experience at the centre has helped the children to adapt to living with each other and with adults.

However, the centre aims at rehabilitating the children sufficiently to enable them to return to ordinary schools. So far, however, most of the children insist that they will not return to ordinary schools but hope to go on to jobs.

Mr Ronald Liddiard, director of social services for Birmingham, sees the centre as remedying the defects of the education system that deters children from attending formal schools.

SNP wants 12 seats for Scotland

From Ronald Faux
Edinburgh

An independent Scotland would not need the European Community as much as the Community would need the resources of Scotland, Mrs Winifred Ewing, the Scottish Nationalist MP for Moray and Nairn, said in Edinburgh yesterday. She told a press conference called to present the party's proposals on European elections that of 12 seats, five should be allocated to Scotland in the European Parliament would cost the party £54,000 but he strongly criticized Scotland's allocation.

"It is quite unacceptable that one Dane should equal two Scotsmen or one Irishman three Scotsmen," he said. "While parity with Denmark's 16 seats would be possible only with independence, the European Bill will be influenced by the extent to which the Commons moves towards a dozen seats for Scotland."

Mr George Reid, SNP MP for Clackmannan and East Fife, said the campaign to fight the election should be based on the fact that Scotland would be a net contributor to the European Community.

Lord Justice Walker dissenting but the appeal was allowed. Robin Young writes: "The champagne industry's head of information, M. Joseph Dargé of the Comité Interprofessionnel du Vin de Champagne, said London later that leave would probably be sought to appear to the House of Lords in the European Court in Luxembourg."

"It is important that defend the name of champagne because if it is used by other beverages it will be debas and no longer understood."

Separation of postal and telecommunication services proposed by review body

The postal and telecommunication sides of the Post Office should be separated into two new public authorities, it is proposed in the report of the Post Office Review Committee, published yesterday.

One of the authorities would retain the title "the Post Office" and comprise the present postal business with giro and remittance services. The other, known as "the Telecommunications Authority", would comprise the present telecommunications business with the data-processing service (including the National Data Processing Service).

The review committee, chaired by Professor Charles Carter, Vice-Chancellor of Lancaster University, said in its report that the Post Office should be split into two separate bodies, one for postal services and one for telecommunications services.

The report also recommends that a single council should be created, not as a managing body but to provide the Secretary of State with strong, independent advice, as openly as possible, on all activities covered by the Post Office.

The report says the advisory council should contain the chairman and one other representative of the Post Office Users' National Council but no other representatives of the Post Office or of management, government departments or special interest groups. They would all make their views known to the council when invited.

The committee would like to see two or three elected representatives of the Post Office users on the advisory council. It regards the Government's intention to appoint trade union and business representatives to the Post Office Board as "not appropriate and well considered" but liable to inhibit industrial democracy.

The committee says, should be managed by boards composed of a chairman (probably full-time), about five full-time executive directors and two or three non-executive directors, and possibly later, elected representatives of employees.

The committee would have an independent chairman and about eight members made up of the chairman and one other representative of the Post Office Users' National Council, and one other representative of the Post Office users (the council), persons with knowledge of the telecommunications manufacturing industry and persons with expertise in labour relations, technology and management.

The committee finds fundamental differences between the two main businesses of the Post Office. The postal service is labour-intensive with a low demand for capital investment and in recent years has been able to maintain a low level of investment with an expanding volume and range of facilities.

The efficient operation of each depends on different factors. The existing structure has led to over-centralization and poor delegation and slow decision-making, and overloading of the present board has inhibited sound strategic thinking.

Postal and telecommunications are each large enough to provide proper career structures. "It is ill-muddled thinking to suggest that a strong telecommunications business could help to support a weaker postal business," support from telecommunications might

prevent the adoption of sufficiently vigorous postal policies. The most important structural issues are to be settled. The committee criticizes the present structure as "chaotic". The Department of Transport, which has the responsibility for the Post Office but in a monopoly that fails to resolve important strategic issues, POUNC speaks for the industry and information. Ministers' interference has been too concerned with subsidiary matters and ad hoc decisions unrelated to a long-term plan.

Nevertheless the committee accepts that ultimate responsibility for an important public service operating in the national interest rests with the Government. It is why a council on Post Office and telecommunications affairs, as a broader and more effective successor to the POUNC, would be "advisory". An additional level of decision-making between the Government and the management boards would mean, as one witness described it, "a more laissez-faire attitude".

Among other tasks, the council would advise the Secretary of State on the corporate plans, operating strategy, and investment proposals of each authority and on main changes to their tariffs or levels of service. It would monitor quality of service, productivity of manpower, efficiency of use of equipment, and research and development programmes.

The committee has decided on a single council so that it may advise the Secretary of State on coordination of strategies covering the whole range of communications other than broadcasting. The need to coordinate the long-term strategies of the authorities is likely, however, to be limited, and ultimately responsibility should remain with the Government.

Because of necessary legislation and preparation, the committee recommends that the Secretary of State should establish forthwith a council on Post Office and telecommunications affairs as a standing departmental advisory body. The council should have an independent chairman and a pair of chairmen-designate for postal and telecommunications.

The committee says there should be a strong employee voice in the decision-making process. It disputes that a reconstituted Post Office Board containing seven management members, seven Post Office trade union representatives and five independent members is properly supported by a development of true industrial democracy at the level of the ordinary employee.

The committee argues that if workers are to be strongly represented in the managing board of the Post Office but with inadequate representation of the Government will have to intervene more strongly in controlling the board's actions to demonstrate that the public interest is taking priority over any narrow sectional management and staff to settle for a comfortable life protected by the monopoly.

In the structure proposed by the committee, the management and representatives of workers consulted to the Secretary of State's council. Once true industrial democracy is properly established locally within the businesses there might be no relations of causing customers to

employees on the boards of the new authorities. On pricing, the committee recommends a policy as essential to efficient management. If business users are to plan ahead the tariff structure must remain relatively stable, reflecting only changes in the cost of services.

If the Post Office is to stand up to reduction of politicians to allow price increases and to inadequate resources, it must be able to point to a clear coherent rational pricing policy. The committee has not been convinced that the Post Office can do this.

It recommends a uniform rate of postage for letters of a given weight throughout a particular postal area, and a uniform ground that handling costs matter much more than transport and different rates should not be charged merely for postal business. The system with administrative costs.

However, the principle should not be applied where a monopoly does not exist, and where transport costs are a significant part of total costs. That will result in a "cross-subsidy" of the profitable easy transport business by competitive services, as has happened in the Post Office parcels service. The committee recommends a form of zonal pricing.

The Post Office, the committee says, should adopt short-run marginal cost pricing where that would enable it to retain or gain business that would otherwise not do. Possible examples are direct-mail advertising and the delivery of unaddressed items.

It recommends a programme to move away from its preoccupation with fully allocated costs and to stop sheltering behind the words "cross-subsidy" and "profitability". The committee welcomes the distinction within the telecommunications business between peak and off-peak charges to even out the incidence of calls during the day.

The committee identifies three key areas where there is a lack of essential management information: measurement of throughput; revenue expenditure control; and financial input to planning.

If the Post Office is to operate as efficiently as it should there is a need for a greater commitment to the value of financial information for planning and control and the need for recruitment and retention of more qualified and experienced accountants.

The committee has been concerned about the lack of ability of letter mails to other means of communication. For instance, interbanking of electronic offices; or electronically controlled systems of billing and payment; or the use of computer to accept the immediate decline of the posts as inevitable or to embark on a descending spiral of service quality to hold off bankruptcy.

It believes the Post Office has denied itself opportunities of extra business by the rigidity of its pricing policy. A country in economic difficulty, with a need to work hard to restore its fortunes, should tolerate no further slowing of a principle means of business communication.

The committee wants the Post Office to aim at next-day delivery of 95 per cent of first-class letters and a need for a single day delivery.

feel that the Post Office is deliberately slowing second-class mail to force people to pay first-class rates. It also requires early deliveries wherever the density of population allows; and reasonable assurance of next-day delivery for first-class mail demands a second delivery in towns.

These requirements tend to produce uneven work flows. Consequently the cost of handling extra mail collected, sorted and delivered at slack periods is low: so low rates could be consistent with a significant contribution to overheads. The committee therefore wants to see an aggressive price-cutting policy to increase second-class contract mail.

The Post Office should consider more use of part-timers to meet seasonal peaks in mail volume. The range of work postmen do; pricing letters by suitability for mail class; and the use of weight consolidation of mail for packets and parcels; and much greater attention to marketing.

The committee believes that savings from the abolition of Sunday collections cannot be justified given the ill-effects created by the Post Office's refusal to restore the service.

On letter mechanization, the committee is not convinced that all relevant facts have been properly considered. It doubts whether enough thought has been given to the effect on labour relations of concentrating sorting in large mechanized offices.

It recommends a programme to convince the public that there is sense in using postcodes and considers it essential that a start on printing postcodes in telephone directories should be made at once.

It finds abolition of the Post Office parcels service unacceptable to public opinion and suggests a simple distance-related scale of charges, intermediate between the present standard and non-standard letters using a single tariff scale; the use wherever possible of normal second-delivery facilities for parcels in residential areas of towns; and making the Post Office the sole public-sector carrier for smaller parcels and packets (perhaps up to 3kg), leaving it free to compete in the range 3kg to 10kg. Prices should be adjusted so that there is some surplus over

if the parcel service can still not cover its direct costs. The Post Office might need to abandon carriage of parcels over 3kg or to accept them only between post offices, leaving the recipient to collect them.

The committee accepts the desirability of free carriage for letters and parcels, but believes that any other subsidies should be paid for by the appropriate government department.

The committee maintains that stored programme control (SPC) is the most flexible and powerful control system for telephone exchanges and that solid-state devices in long-distance circuits are the obvious choice for future switching systems. However, it says, not one British manufacturer has a proven British-designed SPC exchange

to offer and not a single telephone exchange with full SPC is in regular service in the network.

That handicaps the prosperity of the United Kingdom suppliers and British exports of telecommunications equipment. The committee recommends the Post Office to re-examine the possibility of adding full SPC to new versions of its most modern telephone exchange equipment.

For the future, it says, the planned family of switching systems for the 1980s known as System X is crucial. This system includes SPC and the committee believes the concept ambitious but sound.

The committee believes the project is complicated because the three manufacturers are jealously independent and do not constitute a natural team. Also they face serious drawbacks in moving from electronic to microelectronic technology.

The committee recommends that the management of System X should be strengthened by separating the responsibility for specifying and targeting the requirements from the provision of the project to achieve them on the other.

The committee judges it wrong for the United Kingdom to withdraw from a prime place in the technology of the future by the loss of the project to the United States.

It is concerned that research and development resources within the telecommunications business prove insufficient for the work on System X that the Post Office must undertake to ensure its fully completed introduction of System X will not require the Post Office to seek to avoid redundancies by expanding existing services and introducing new ones.

There is evidence that maintenance in the Post Office is not as effective as it might be, the committee says. It is not convinced that the balance of advantage to the community lies in continuing the existing boundary to the telecommunications monopoly in the United Kingdom, but it does not feel able to recommend a new boundary without a more detailed study of the effect of a change on subscribers and the service.

The effect of change should be studied as soon as possible through a trial with one type of subscriber apparatus, under the control of the council, which should select the type of apparatus and decide the conditions to be satisfied in order to protect the network.

The committee says it has found no evidence to suggest a demand for a national wide-band cable network within the next 15 years for any purpose other than cable television.

If the Government decides to authorize an expanded cable television network, the money should not, the committee feels, come from the Post Office. However, wide-band cable television systems

should use technology compatible with wide-band telecommunications technology.

The committee says the Post Office control network appears to have advantages over other networks in terms of security, security payments and seems to have the right size for the department that use agency services. Although the network is expensive for postmen, in transferring its control to the Department of Health and Social Security.

The Post Office is being remunerated reasonably generously for performing the agency services, it says.

Some counter services in remote areas, such as the sale of stamps and delivery of pensions, can be performed by postmen, particularly those who drive post vans, and the provision of these services, it says, is a general study covering rural posts and towns should be undertaken.

The Post Office should introduce quick-service positions for the simplest transactions; and there should be separate places for inquiries and complaints.

Users of Post Office services should pay all the costs properly attributable to the provision of these services, it is stated.

The committee rejects suggestions that the main businesses of the Post Office should be given a share capital beyond the Government. It would be unreasonable to saddle the new authorities for many decades with an interest burden greatly increased by the high inflation rate.

The committee suggests that the authorities should initially pay interest on the loans they incur at the average rate below that level, loans should be converted to being down the average level of payment to that lending rate.

The committee says that on the history of the Post Office pension fund alone, the case for a contribution by Government to the fund is strong. The fund is in a very poor state, the committee says, and the opening balance sheet of the Post Office should have been recalculated to take account of conditions at the date of vesting. The new corporation would then have taken over a liability for unfunded pensions, so the Post Office should have been expected to take over about half the deficiency, perhaps about £550m.

Also new corporation would over its assets at historic cost and the government loan capital on historic terms (with an interest rate averaging 6.35 per cent) whereas the most valuable assets of capital had been raised at 9.625 per cent.

The committee says that the replacement value of the assets (less ordinary, and supplementary depreciation) was at least £550m more than the book value. Thus the effect of leaving the Post Office with the liability to make good the loss of the pension fund deficiency that should be carried by Government is almost certainly less than the benefit to the Post

Babycham win right to use word 'champagne'

Showers, makers of Babycham, the sparkling drink gained a victory in the Court of Appeal yesterday in their dispute with France's champagne producers over the commercial use of the word "champagne". The company said 144 million bottles a year of one of Britain's most popular wines are drunks.

The court ruling, by majority of two to one, gave them the legal right to use the word "champagne" in presenting their products.

The court allowed Showers' appeal against a High Court decision two years ago which barred them from using the descriptions "champagne" or "champagne" in their products. H. F. Bulmer Ltd, producers of Pomme, had joined Showers in the original hearing, but were not a party to the appeal.

The champagne houses of France accused Showers of passing off Babycham as champagne product and thereby confusing the public. The word they contended, applied only to the wine made in the Champagne region of France.

Showers argued that it was "champagne" and "champagne" had been used for so long that the French could no longer complain about it.

Lord Justice Buckley said: "Not a single witness from the champagne industry was called to say that he had been confused, misled. Not a single public experience of customers who had been confused. The champagne houses had failed to establish the basic features passing off."

He added that use of the name "Babycham champagne" started in 1950, a sales increased steadily in 1974, about three million gallons was sold. Sales of the champagne that year in the United Kingdom exceeded 1,700,000 gallons.

The attraction to the product of some of the plainer champagne would not, of itself, amount to passing off, agreed Lord Justice Goff.

Lord Justice Waller dissenting but the appeal was allowed. Robin Young writes: "The champagne industry's head of information, M. Joseph Dargé of the Comité Interprofessionnel du Vin de Champagne, said London later that leave would probably be sought to appear to the House of Lords in the European Court in Luxembourg."

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OVERSEAS

Security Council unanimously recommends Vietnam for United Nations membership

From Nicholas Fraser
New York, July 20

The Security Council recommended Vietnam for United Nations membership today by unanimous consent and without a vote. Subject to the General Assembly's acceptance of the recommendation, Vietnam will take its place at the United Nations for the next session which begins in September.

Vietnam was denied admission three times previously when the United States exercised its veto. However, in May the Carter Administration indicated that it was not opposed to Vietnamese membership.

Yesterday, Mr. Donald McHenry, the deputy American representative, delivered a brief speech expressing gratification that Vietnam's entry would promote the organization's goal of universality. The United States hoped, he said, that Vietnam would assume its responsibilities as a member to promote the peaceful settlement of disputes and advance human rights.

"We look forward to working with Vietnam to bring

about a new era of peace, co-operation and friendship, not only in our bilateral relations but also in our work together at the United Nations."

The United States emphasis on human rights was seen as a response to congressional criticism of the Vietnamese Government's record in that sphere. However, American officials pointed to the speech's emphasis on hopes for a future improvement in relations.

Since May, the United States has had two rounds of talks with Vietnamese officials. The Vietnamese Government has now agreed to cooperate in returning the remains of Americans killed during the war.

However, the talks have stalled on the Vietnamese demands for an end to the American trade embargo and for \$4,000m (£2,350m) assistance to "heal the wounds of war." Congress voted in May against continuing discussions about the question of American aid and no date for a further round of talks has been set.

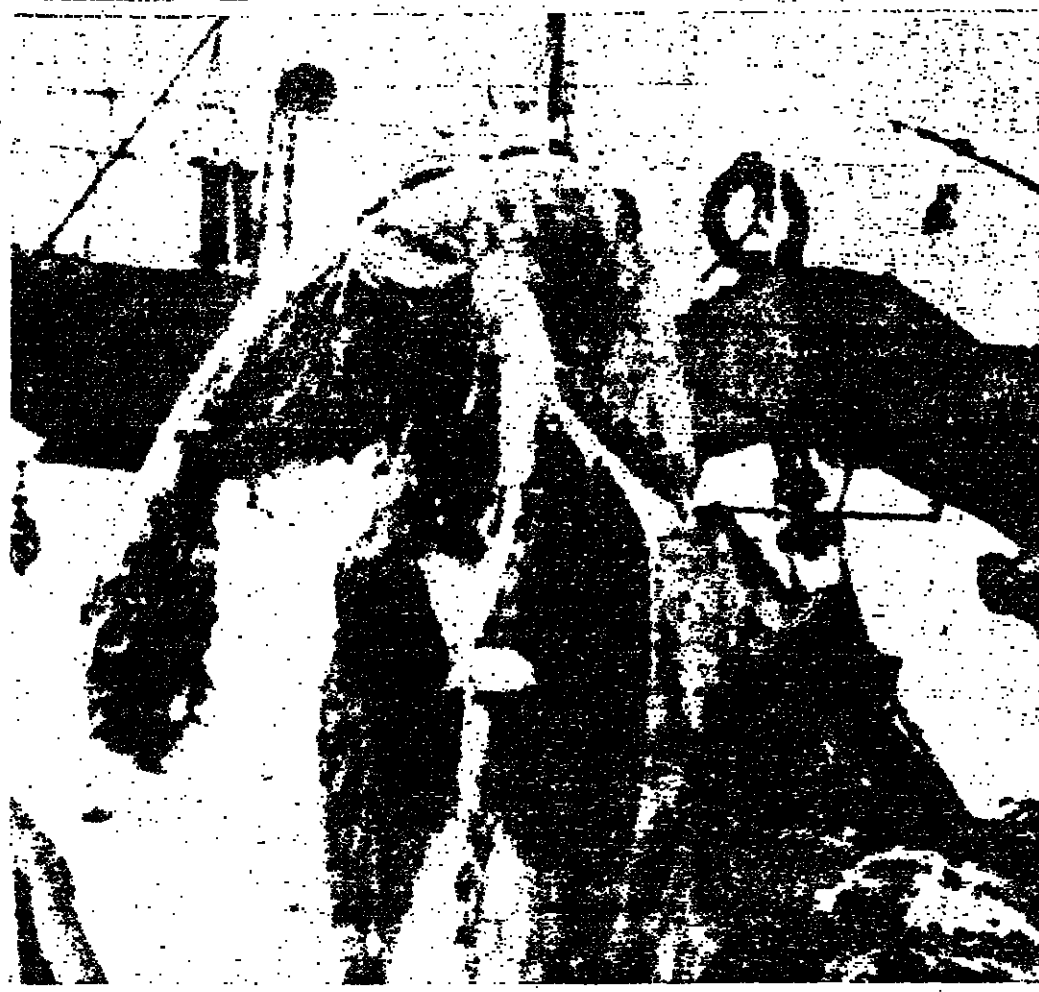
Speaking immediately after the Security Council recom-

mendation, Mr. Dinh Ba Thi, the Vietnamese delegate, said world public opinion demanded that the United States Government live up to its commitment on reparations. "It is a matter of honour, of conscience and of responsibility which the United States Government cannot shirk under any pretext," he said.

Washington, July 20.—Dr. Henry Kissinger, the former Secretary of State, said yesterday that North Vietnam's flagrant violations of the Paris peace agreement of 1973 had relieved the United States of its promise to provide aid for postwar reconstruction.

"We owe them nothing," he told a House of Representatives international relations subcommittee. It was his first appearance before Congress since he left office last January.

Dr. Kissinger said he doubted the existence of an unpublished message on aid from former President Nixon which Vietnamese negotiators in Paris hinted last month they would make public when it was necessary.—New York Times News Service.



One of the photographs of the monster taken on board the trawler.

A monster from depths of Pacific

Tokyo, July 20.—Japanese fishermen caught a dead monster, weighing two tons and 30ft in length, off the coast of New Zealand in April, it was reported today.

Believed to be a survivor of a prehistoric species, the monster was caught at a depth of 1,000ft off the South Island coast near Christchurch.

Palaeontologists from the National Science Museum in Tokyo have concluded that the beast belonged to the plesiosaurus family—huge, small-

headed reptiles with a long neck and four fins. Other scientists said the creature might be "some sort of Giant saur or Loch Ness-type monster."

After a member of the crew had photographed and measured it, the trawler's captain ordered the corpse to be thrown back into the sea because of the fear of contamination to his fish. The company which chartered the trawler has ordered other vessels in the area to try to find the carcass or, if possible, capture a live specimen.

Mr. Yano said: "Some of the crew thought it was a whale, others a turtle without a shell. So we just took it as a monster. I'm not sure what it was, but it does look like drawings I saw of Nessie after my return home last month."

Marine biologists such as Professor Fujio Yasuda of Tokyo Fisheries University are also undecided. But they are fairly certain that it was not a whale, turtle, seal, dolphin or shark.—Agence France-Presse and AP.

He recalled that when it was hoisted on board the trawler, a cable round its abdomen had cut through the body which coiled a white slimy fluid.

The photographs show an animal with white and red skin hanging from its bones. Mr. Yano said: "Some of the crew thought it was a whale, others a turtle without a shell. So we just took it as a monster. I'm not sure what it was, but it does look like drawings I saw of Nessie after my return home last month."

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Premier dismissed in Zambia

Lusaka, July 20.—President Kuanda of Zambia today dismissed his Prime Minister and replaced him with one of his most loyal supporters amid indications that further changes were likely before next year's general elections.

The reshuffle, the second in Zambia in four months, removed Mr. Elijah Mudenda from office and replaced him with Mr. Malinda Chona, the former Vice-President.

Mr. Chona, aged 47, has already served one term as Prime Minister between 1973 and 1975, when he resigned under still mysterious circumstances to become Legal Affairs Minister. He was replaced by Mr. Mudenda.

The legal affairs portfolio was taken over today by Mr. Daniel Lisulo, a member of the ruling United National Independence Party central committee. Mr. Mudenda remained a central committee post.

A presidential statement announcing the changes did not give reasons for them. Government sources said that the modifications were intended to strengthen the system. President Kuanda "may be moving in a certain direction that will not become obvious for some time."

Bomb injures five in Israeli supermarket

From Moshe Brilliant
Tel Aviv, July 20

A time bomb went off at noon today in a supermarket in the Israeli Mediterranean resort of Nahariya, injuring five people. Four were later released from hospital after treatment.

Police cordoned off the area and detained 16 Arabs. Some came from Israel and some from the occupied West Bank. They included an Arab injured in the blast.

The store was crowded with 300 shoppers when the bomb burst on a shelf, sending them fleeing in all directions. Police said the bomb was similar to one that exploded two months ago in Acre, another town in Gaililee. It was assumed that the same terrorist group was responsible for both incidents.

Another bomb exploded today in a zoo in Jerusalem but no one was injured. The Ministry of Transport decided today to bar Sabbath traffic from two blocks flanked by the homes of religious extremists in Bnei Brak outside Tel Aviv.

The area has been the scene of rioting for the past two Sabbaths after a man was killed when his vehicle crashed into a chain barrier erected by the municipality without the consent of the Ministry of Transport. Security residents in the neighbourhood said they would fight the decision in court.

Morocco sends troops to aid Mauritania

Rabat, July 20.—Morocco has flown 500 troops to the Mauritania-Mali border to assist the Saharawi people's struggle against the Moroccan forces in an effort to gain independence for the Western Sahara.

General Makhoul said his investigation of the "Penance and Retreat" society disclosed "an overall terrorist scheme, which calls for the kidnapping of prominent personalities, sabotage of power lines, and the use of explosives and boobytraps, and eventually staging a coup d'état which Libya would back with money and weapons."

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Pretoria ends British criminal trial system

From Nicholas Ashford
Johannesburg, July 20

Two contentious pieces of legislation came into operation this week which will have far-reaching consequences for the future administration of law in South Africa.

The first, the new Criminal Procedure Bill, will effectively replace the country's British-style "innocent until proved guilty" system of criminal justice with the continental inquisitorial system, but without the checks and balances which European countries have developed.

The second, the Lower Court Amendment Act, vests considerable new powers in the country's regional courts provides magistrates with the jurisdiction to hear terrorism and sabotage cases. This law will greatly increase the scope of the Terrorism Act which is already widely used by the authorities to stifle the country's more militant political opponents.

Taken together the two new laws will, in the words of Mr. David Dalling and Opposition MP, have "serious implications" and will "further whittle away the rights of the individual in our judicial procedure."

The new laws came under strong criticism when they were introduced in Parliament earlier this year because the Opposition saw them as reinforcing the increasingly authoritarian drift by the Government. However, they received relatively little exposure in the press which was preoccupied with the Press Bill, introduced at the same time.

The Criminal Procedure Act replaces an earlier Act of the same name which has been in operation since 1955 and is the oldest document South Africa has to a charter on human rights.

Mr. James Kruger, the Minister of Justice, described the 345-clause Bill as a "milestone in South Africa's legal history." He said its purpose was to streamline court procedure and thereby save time and money. However, Mr. Harry Pitman, the Progressive Reform Party spokesman on justice, said it was "calculated to make inroads into what has been the basic protection of an accused person."

The most contentious clause was no 115 which established a system of mandatory questioning of an accused person by a

judicial officer immediately after he has pleaded, but before evidence is led. This was regarded in legal circles as move away from the British accusatorial system, in which the judicial officer adopts a neutral role towards the criminal, inquisitorial system which involves a pre-trial interrogation by the judge or magistrate.

Attracting this change in the basis of criminal law, Mr. Pitman argued that the who principle of self-incrimination was foreign to the South African legal system and appeared to stem from a desire to obtain quick admissions of guilt from the accused. He was particularly concerned about the effect the law would have on illiterate and ignorant African who often faced trial without legal representation and could easily incriminate themselves in pre-trial interrogations.

Under the Lower Court Amendment Act the power of regional courts will be increased from a fine of £1,000 or three years imprisonment to a maximum fine of £6,000 or 10 years imprisonment.

Magistrates will now be empowered to hear terrorism and sabotage cases in which sentences do not exceed years imprisonment. Mr. Dalling said he would refer to the Supreme Court, which until now has dealt with cases involving security legislation.

The Government maintained that the new Bill has been introduced to relieve pressure on the higher courts. However, Dalling has claimed that it could lead to a "sausage factory" type of justice in our courts.

The Bill's opponents argue that it is wrong to empower magistrates, who are state officials, to hear security trials which are nearly always related to political activities. These are matters which should be left to judges who are independent of the state.

Professor John de Waard, dean of the law faculty at Witwatersrand University, said: "This law cannot be regarded as it empowers regional court magistrates to try cases which are invariably of a political nature." However, people who are found guilty of terrorism and sabotage offences will have a right of appeal to the Supreme Court.

Sithole drive to build up 'moderate' image

From Frederick Cleary
Salisbury, July 20

The Rev. Ndabaningi Sithole, the nationalist leader, allowed to return to Rhodesia recently after two years' absence provided he denounced terrorism, is moving fast to establish himself as a vital and moderate personality in the settlement issue.

Aware that his rival nationalist leader, Bishop Abel Muzorewa, still commands enormous support among the Shona tribes and Mr. Joshua Nkomo is building up a large guerrilla army in Zambia, he is traversing the country at breakneck speed, holding numerous public meetings with blacks and whites, where he has been described as low-key nationalism.

He makes it clear that there can be no deviation from the principle of one man one vote. Yet he is revealing an open mind on such issues as racialism, an integral settlement as outlined by Mr. Ian Smith, the Prime Minister.

He told a news conference today in Salisbury he regarded the pending general election as unfortunate and a delaying tactic on the part of the Prime Minister. But he would give advice either way to African members of Parliament or

Africans who might be in the line of keeping his open and indicated that would look at any such which would bring a fair political solution.

Mr. Sithole said he knew a lot of guerrillas who were fighting tomorrow if it was a settlement on the one-man-one-vote principle. It would be for people to fight their rights and no one could deny they had a right to do so.

Mr. Desmond Frost, resigned earlier this month chairman of the Rhodes Front Party, has joined the nationalist leader's Rhodes Action Party (RAP) to co-ordinate its general election campaign. As an experienced political organizer, Mr. Frost will already indicated it will test all 50 white seats in House of Assembly.

It is very far to see what support the new party has, but a number of Rhodes Front members have openly switched allegiance. The party machine is functioning smoothly and all indications are that the election will be a strongly challenged one.

Rhodesian Front, Mr. Sithole said, depends on what Mr. Smith says in the weeks ahead.

Mr Botha visits Salisbury

From Our Own Correspondent
Johannesburg, July 20

Mr. R. F. Botha, the South African Foreign Minister, today made an unannounced flying visit to Salisbury for three hours of talks with Mr. Ian Smith, the Rhodesian Prime Minister, and a discussion next month to hold an election next month.

On his return, Mr. Botha was non-committal about the contents of his talks with Mr. Smith but he said he had been to review "matters of mutual concern." However, he

emphasized that, in his visit Mr. Smith had no intention of ending talks with Britain's the United States.

He said Mr. Smith hoped to win overwhelming support in the forthcoming election that he would be in a position to negotiate a fair settlement. However, the Rhodesian Prime Minister said he was disappointed that the settlement proposals derived from the original proposal set out by Dr. Owen, Foreign Secretary, last May.

Soviet move to counter US Cruise missile

By Henry Stanhope

The Soviet Union has started to build new radar stations which should improve its defences against American Cruise missiles, according to Nato intelligence sources.

The stations, said to involve towers hundreds of feet high, are part of a Soviet programme to meet a threat from low-level missiles or strike aircraft.

Work on the towers started before President Carter's decision three weeks ago to drop the B1 strategic bomber in favour of Cruise missiles, which indicates that the Soviet Union must have had both weapon systems in mind.

The B1 would also have flown low during the final stage of its missions, to duck beneath conventional radar scanners. But the Cruise missile, flying well below 100 feet, is virtually a ground-hugging weapon, detectable only by a downward-scanning radar.

One of the reasons why the Russians have bitterly opposed long-range Cruise missiles is that their deployment would force a restructuring of their expensive air defence network, to introduce more downward-scanning radar systems.

The Nato sources, quoted by Reuters yesterday, said the Russians were expected to move towards mobile air defence systems because missiles lacked the flexibility to avoid a moving enemy.

US holds two on spy charge

Fort Lauderdale, Florida, July 20.—A West German and an American were arrested today and accused of conspiring to smuggle components of the top secret American Cruise missile to a Soviet agent based in Cuba.

They were identified as Carl L. Weischenberg, aged 33, a West German, resident of the Bahamas, and Carl John Heiser, aged 32, an American citizen.

US in Seoul talks on arms needs

From Our Own Correspondent
Washington, July 20

Dr. Harold Brown, the United States Secretary of Defence, is flying to South Korea on Friday to discuss the practical consequences of the planned American military withdrawal from Korea. President Carter has decided that 33,000 American troops will be pulled out over the next five years and has promised that the South Koreans will be helped to strengthen their own armed forces to compensate for it.

A newspaper report today quotes a Pentagon study which suggests that South Korea might need armaments worth up to \$6,000m (£2,700m) over the five years. The decision has been taken, but it seems probable that the figure quoted represents the highest possible amount.

South Korea will probably receive a great deal less and would have to pay for most of it. Mr. Carter has decided that the departing Americans should leave most of their heavy arms behind as a form of direct military aid.

Although the United States will continue to provide air cover to South Korea from its bases in Japan, the South Korean Air Force will have to be strengthened. The South Koreans would also need ships to patrol their coasts. Their chief need, however, is infantry weapons, notably anti-tank missiles, tanks and other equipment.

Dr. Brown will examine the question with South Korean military specialists in Seoul. After his report to the President, his conclusions will be presented to Congress.

More Concorde flights on Washington service

By Arthur Reed,
Air Correspondent

Because of the popularity of North Atlantic superonic services, British Airways are to increase their Concorde flights between London and Washington from August 21 from four to six each week.

Services to Washington with the Concorde began on May 24 last year when there were two flights a week. Five months later the schedule was increased to three a week, and in May this year to four.

The load factor on the service (the number of seats on offer which are actually filled) has been 86 per cent since Concorde flights began.

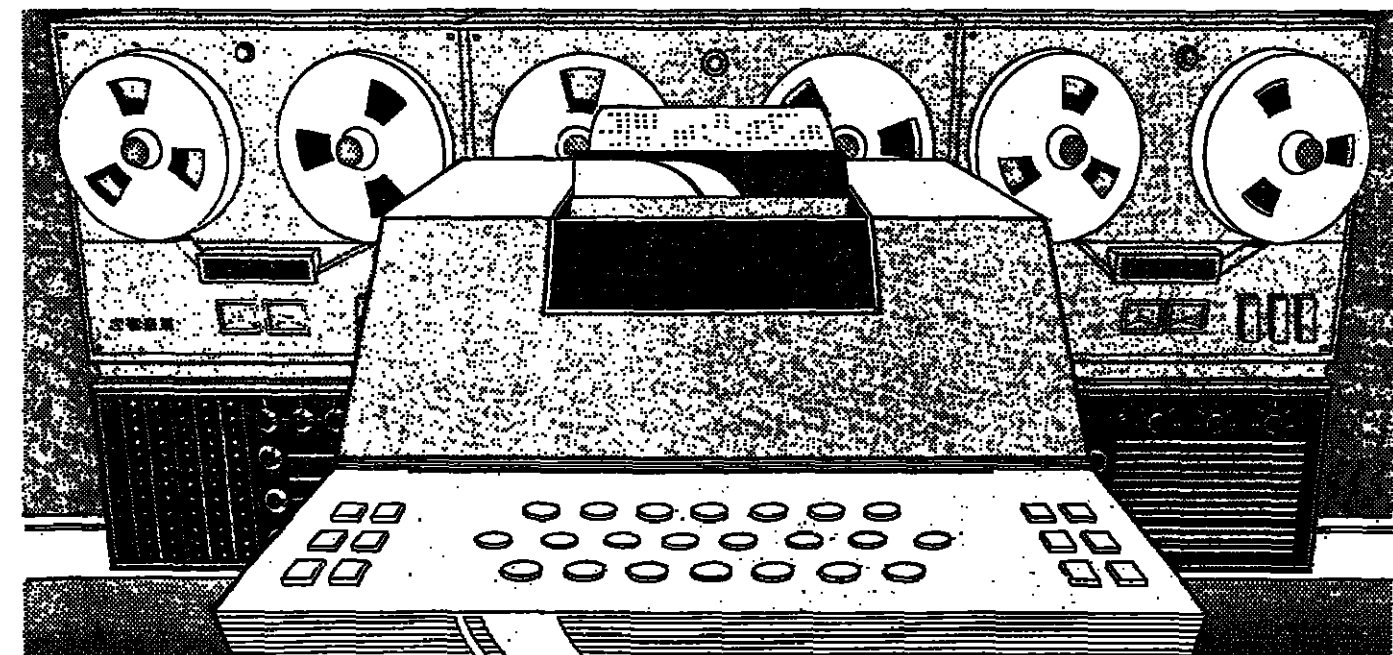
Concorde takes under four hours to cover the 3,658 miles between the two capitals, compared with seven hours by subsonic airliners. From August 21, there will be superonic services every day except Wednesday from London, and every day except Thursday from Washington to London.

The United States Department of Transportation allowed Concorde-flown by British Airways and Air France to operate into Washington for a 16-month trial period from May last year.

This period expires in September, but the indications are that the American federal authorities will grant an extension, probably without placing any time limit on it. Meanwhile, the airlines' efforts to open Concorde services to New York are bogged down in the courts because of objections by the authority which runs the city's international airport.

British Airways took delivery yesterday of their fifth and last Concorde from the manufacturers, British Aerospace and the French group Aerospatiale. Air France already have their complete fleet of four Concorde.

Air France increased their Concorde services between Paris and Washington from three to seven a week from early this month.



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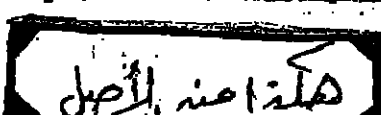
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Details of CIA drug experiments

Continued from page 1

during hearings conducted by a Senate committee in 1975 under the chairmanship of Senator Frank Church. At that stage it was established that one man, Dr. Frank Olson, was given the hallucinatory drug LSD without his knowledge in 1953 and soon after committed suicide.

But, according to the documents released today, the programme was much more than an experiment with drugs. A 1963 memorandum from the director of the CIA prepared by the agency's own inspector general described it as "the research and development of chemical, biological and radiochemical materials capable of employment in clandestine operations to control human behaviour."

Mr. Marks told a press conference: "To be sure, drugs were a part of it, but so were other techniques such as electroshock, radiation, ultrasonics, psychotherapy, psychiatry, psychology and incapacitating agents, all of which were referred to in the documents I have received. This was a programme to manipulate people's minds."

Among the documents released today was a 1963 report on MK-Ultra by the inspector-general of the CIA. It disclosed that "the next phase... involves physicians, toxicologists and other specialists in mental narcotics and general hospitals and in prisons who... will proceed with intensive testing on human subjects."

The final phase of the testing of MK-Ultra materials involves their application to unwitting subjects in normal life settings.

The report says that in a number of instances "the test subject has become ill for hours or days, including hospitalization in at least one case. Possible sickness and attendant economic loss are inherent contingent effects of the testing."

A document drawn up on October 21, 1951, revealed that the agency was already conducting drug tests on suspected subjects to determine the effect of various amounts and types of drugs, including marijuana, mescaline and ethyl-

alcohol, on a person's ability to retain top secret information. A 1952 memorandum from the director of the CIA described experiments on two professional agents "suspected of working for the Soviet Union. In these cases light dosages of drugs coupled with hypnosis produced 'highly successful results'."

During what was described as a "remarkable regression", one of the subjects relived certain past activities of his life dating back 15 years.

According to Admiral Stansfield Turner, the present CIA director, the agency's drug programme was terminated in 1963. But in Mr. Marks's view even if this is true there still remains a huge body of research, technology and equipment that the CIA developed over the years.

"This research product is a potential threat to our most basic freedoms if it gives the Government or anyone else the ability to manipulate human behaviour," Mr. Marks maintains. "These techniques do not just smack of 1934; they open up the prospect of totalitarian control."

Soweto police chief ends London visit

Brigadier Jan Visser, C of police in the South African township of Soweto, Britain last night a few hours after an unexpected encounter with anti-apartheid demonstrators. His decision to leave South African Embassy officials by surprise.

They had expected him to continue his holiday visit, another three or four weeks, least.

The brigadier's sudden departure was seen in Wit as an attempt to avert a political embarrassment as the anti-apartheid demonstrators walked into his suite. About half a dozen demonstrators spent more than half an hour talking to him before they left peacefully the request of hotel security men.

They continued to pick the hotel, however, chanting and waving placards.

PARLIAMENT, July 20, 1977

Responsibility of Government to give advice and guidance on pay: gigantic essay in persuasion

House of Commons

A pay settlement of 10 per cent was offered as the "best buy" to trade unions and others for 1978 by the Prime Minister, Mr. James Callaghan, when he opened the debate on the subject in the House of Commons last night. He said a dangerous illusion was already being expressed by some people last weekend that they should frame wage claims for the 1978 round on the basis of catching up the shortfall of the last two years. But that could not be.

Mr. Callaghan (Cardiff, South-East, Lab) said that as there would be no national pay increase through the country, the Government's responsibility therefore was to offer advice and guidance to employers and unions concerned in wage negotiations. The absurd 30 per cent per centum of two to three years ago had utterly failed to bring improvement to the standard of living of those who had secured the increase.

He was far from saying that wages were the only element in determining the level of inflation, but he said that the level of wages was one factor which influenced the level of inflation.

It was particularly important now because some other factors which would influence the level of inflation were turning in Britain's favour—commodities and materials from overseas—to the value of the pound sterling and the better prospects of cereal crops throughout the world.

All these factors are more favourable (he said) and together they will help to keep the level of inflation down. But if wages would be a tragedy if, against such a background, wages were to take off, and offset these improvements.

Our considered judgment is that our people will get the best overall improvement if the increase in national earnings does not exceed 10 per cent in 1978.

In our view, everybody, trade unions and others, will find that that is the best buy.

High inflation, even if they looked superficially attractive at first, would, in due course, make people worse off through high prices and lower real wages.

I suppose that no one believes, in his heart (he said), that a return to free collective bargaining will alter in the future, any more than in the past.

At the same time, if we are to have the freedom to return to that freedom has been strongly expressed and cannot be regained.

The Government would have special influence or, in some cases, direct control, over wage settlements in their own areas. They would follow the lead of the Chancellor had offered to others.

The notion of equity or grievance pay comparison with others was deep in the formulation of pay claims. Time after time, governments had been brought up against that dilemma. It was particularly important, if they were to prevent that sort of grievance pay from gaining ground, that trade unions and employers should observe the general guidance.

A dangerous illusion was already being expressed last night that they should frame wage claims in the 1978 round on the basis of catching up the shortfall of the last two years. That could not be.

In the last two years they had been adjusting to the fundamental changes brought about by the oil crisis. They could not jog back on what had gone wrong in the last two years.

We must look forward (he said) to improving our standard of life by our own efforts.

Pay settlements aimed at making up the lost ground of the last two years could only be secured at the expense of others, and would start the upwards wage spiral once more.

Another danger they faced was that some group would act as a pacemaker, or attempt to do so, and force a big settlement; others might use that as a basis to demand a similar increase.

There was a risk that if other groups achieved a high settlement, they would be tempted to reopen negotiations on their existing settlement.

The TUC had advised against that. It was a high time that we should be looking to the importance of their advice to those matters.

There was also the danger that some employers, fearing a big settlement, might be tempted to buy a way out for one reason or another. They would be willing to dip into funds for investment or other purposes in order to make a deal.

That would be weak-minded in the extreme, weakening the company's position and endangering the long-term future and prospects of the workers involved.

Multi-national companies, whose interest might lie in several countries, might feel they could opt out. He trusted that they would not do so. The Government would watch such a move with a very close eye.

There were also likely to be problems arising in the public sector where the Government would be expected to give a lead in implementing the 10 per cent guidance. They would be guided by the advice they were giving to others.

He would write to the three pay advisory bodies and would be able to say that the new pay policy would provide some flexibility which was needed for them to make a start to overcome the special problems that had arisen in the pay structure generally. Some of the comments made had been unduly pessimistic about the degree of flexibility in the arrangements that could be made.

The national interest is at stake (he said), and I shall in due course discuss this matter with the Government. I shall also review common sense to triumph over short-term expediency. The Government's advice was clear on the best way forward.

The Government's social policy, was made clear in the Budget and by Mr. Healey on Friday, sought to protect the weakest and most needy in society.

Mr. Eric Heffer (Liverpool, Wat., Lab)—Over the past two years prices have risen much higher than workers' wages. Because of this, and because unemployment has risen, trade unionists at grass-roots level have revolted against Phase One and Phase Two continuing into Phase Three.

If we are not careful we could lead ourselves into a position of confrontation and battle with trade unions, which must be avoided at all costs.

Mr. Callaghan—in the new non-differential society in which we are living, this country can only be governed by consensus. Any government that is stupid or foolish enough to rush into confrontation is doomed to failure. What we have on our hands is a gigantic essay in persuasion to what is the best way forward.

In November, old age pensions would increase. Immovable people and those with other disabilities would be protected. The Chancellor's statement had demonstrated the new emphasis they were giving to families in the next 12 months. New arrangements for school meals meant that a man earning up to £7.50 with four children would be better off by £2.50 a week.

Mr. Dennis Skinner (Bolsover, Lab)—If they apply, Mr. Callaghan—Why should they not apply?

Mr. Skinner—For the seven years I have been in the House of Commons, I have constantly been reminded that one of the problems about this matter of school meals being introduced is because so many people do not apply.

Mr. Callaghan—He may be right. It is our job to encourage people to apply for it. If we can save £1.50 and a family of four £3, we ought to be able to devise arrangements to enable them to get it. The alternative is a higher rate of inflation because they want more pay.

The Government's response to the TUC statement would continue to be to work with the social contract. The Social Contract was not and never was just another word for pay restraint. It was a basis for long-term cooperation between Government and the unions resulting from the joint discussion of the social contract (he said) was intended to and has created a strong feeling of mutual confidence between the Government and the unions.

Mr. John Mendelson (Penistone, Lab)—We have been told in the last night that the British economy needed higher wages and that the money would be quickly distributed to get rid of some unemployment.

Mr. Callaghan—Frankly that is not the Government view in the circumstances of today. I hope that that time will arrive, but it cannot be. Higher wages without increased productivity would result in runaway prices and we are not going back to that if we can help it.

We are in a period of free collective bargaining. It is a test of democracy as to what happens over the next 12 months.

The rate of price increases was likely to continue. In June, the rate was 1 per cent, still too high, but lower than they had been living through recently.

Negotiators should recall that a diminishing rate of inflation unlike in past wage rounds.

The TUC had declared yesterday that settlements for 1978 for 12 months, and those due before July 31 should not be deferred to secure advantage over other groups. This was a commendable attitude.

He expected the unions would continue to accept this policy because there was a tradition in the TUC that the majority would accept it. The effects of the present round of incomes policy would not suddenly cease on July 31. There would be a period of many months when the effects of lower interest rates and a decline in the rate of inflation would be felt.

They would also have the benefit of the national psychology. There was an overwhelming recognition that the Government was doing its best to deal with the problems of the economy. Trade unionists were especially aware of this. Everybody was especially aware of this. Everybody was especially aware of this.

Everywhere I go (he said), I find widespread acceptance that we must go back to the madness of the 1970s. It is a case of massive interruptions. Only time will bear me out, but it is my view, knowing a great many of the trade unionists, that it is a case of massive interruptions. Only time will bear me out, but it is my view, knowing a great many of the trade unionists, that it is a case of massive interruptions.

There would be mavericks with the usual people who made the usual point.

The TUC document had said explicitly yesterday that a pay explosion must be avoided. Against the document, the issue in the country during the last 12 months was whether the economic structures would enable long-term common sense to triumph over short-term expediency. The Government's advice was clear on the best way forward.

Mr. Eric Heffer (Liverpool, Wat., Lab)—The social contract is not dead, it might have been distorted. It is a case of massive interruptions. Only time will bear me out, but it is my view, knowing a great many of the trade unionists, that it is a case of massive interruptions.

Mr. Callaghan—He seems to be about the only person satisfied with the progress being made in efficiency at Swansea. That is a case of massive interruptions. Only time will bear me out, but it is my view, knowing a great many of the trade unionists, that it is a case of massive interruptions.

Mr. Ray Mawby (Totnes, C)—Can he assure us that there will be speedy action in putting the earlier registration letters on to the computer because there are problems for local police in establishing ownership of vehicles in a number of cases?

Mr. Callaghan—I give that assurance. We are now dealing with registration numbers. In the last year, and a half million cars in the country out of a total of 19 million cars will be on the central computer record by the end of the year. It is a case of massive interruptions. Only time will bear me out, but it is my view, knowing a great many of the trade unionists, that it is a case of massive interruptions.

Mr. Roger Moore, an Opposition spokesman on transport (Faver-

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Mrs Thatcher puts emphasis on productivity deals and need to restore differentials

House of Commons

Mrs Margaret Thatcher, Leader of the Opposition (Barnet, Finchley, C) said that like Mr. Healey the Prime Minister had stated over a great deal. She agreed with him that the country could no longer spend its way out of an economic crisis and that inflation must be attacked and made the top priority. But even the targets which had been set were still inflationary, even with money supply at 9 to 13 per cent for next year and the year after.

It would be a long struggle to bring the rate of inflation down and the country should not be satisfied with a single figure target.

I agree with him (she said) that we do not live in a differential society. I have no wish for any of the kind of society where the Government would be forced to use industrial muscle and use it.

A differential society, I agree, we do not want, but equally we do not want the kind of society where the Government would be forced to use industrial muscle and use it.

He had done nothing to prepare the people for the fact that under free collective bargaining there would be a great deal of difference in the amounts people would get. He was asking about 10 per cent, but he was not asking for a restored differentials many people would get far less than that.

Production had not risen in the past three years; the Government's record on inflation was the worst of any government. Prices had risen 50 per cent in the last 12 months. The average industrial worker with a family had lost 25.32 per cent in real terms in the last 12 months. The Government was a failure.

The average family, under the Conservatives, had paid £39 taxes in 1976. That was a total record of failure the like of which no other previous Government, even under socialism, had achieved. Mr. Callaghan, she said, was in a better shape now than we were, the facts would support my conclusion and not his.

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Looking at his record, the Chancellor was incapable of sticking to any strategy for more than three months. (Conservative cheers.) That was how they would judge last Friday's which was a stark admission of the demise of the social contract.

Another fundamental defect was on the question of differentials. Although the Opposition had not opposed the Government on this, it was a failure. The Government was highly critical because of the differential factor. The Opposition had said that each time the Government pushed them forward and one day they would have to be solved. This question would cause far more trouble than any other. Diff-

Mr. Reginald Prentice (Newham, North-East, Lab) said that in many ways the situation they faced was much more dangerous and much more conducive to runaway inflation than the situation of 1974-75. Then, as now, the Government were carrying out measures required of them by the TUC and the Government were not responding to them. They were not responding to them. They were not responding to them.

Mr. Callaghan—He seems to be about the only person satisfied with the progress being made in efficiency at Swansea. That is a case of massive interruptions. Only time will bear me out, but it is my view, knowing a great many of the trade unionists, that it is a case of massive interruptions.

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ferentials would cause great trouble.

We can see from some of the strikes we have already had (she said) that the Government's policy for skill is a disaster for a pay explosion that I hope will not occur. It is clear that there must be a great deal of room to provide for differentials for skill.

There had been nothing in the speeches of the Prime Minister or other ministers to prepare people for the responsibilities which a return to free collective bargaining involved.

Quite the contrary (she said). Everything the Prime Minister had previously said had tended to give the impression that the Government would be forced to use industrial muscle and use it.

He had done nothing to prepare the people for the fact that under free collective bargaining there would be a great deal of difference in the amounts people would get. He was asking about 10 per cent, but he was not asking for a restored differentials many people would get far less than that.

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what cash limits were going to be fixed, because they were not fixed.

The Chancellor should be more forthcoming than the Prime Minister on his attitude to public sector pay claims. When the Prime Minister said free collective "chaos" he was afraid that free collective bargaining in some areas might mean free collective bargaining. How did he propose to stand up to that if it was going to occur?

There were some parts of the public sector for which, obviously, the Chancellor would have to set cash limits. What was he going to do, for example, in the nationalised industries?

.....

as the final Yarmouth

trocious conditions do not deter Lions

recent Northern Ireland football match, the Lions captain, George Burdett, was also called into the referee's office about his behaviour.

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Three directions of beauty or bravery

At the Blanche Kramer and Helena Hornik clinic, 25 Welbeck Street, the patient wears a yellow sponge mask for electrical vitamin treatment used to rejuvenate older skin and tighten muscles. You feel the tingling of a mild electric current, and sometimes a metallic taste in the mouth.

Hollow blue tinted plastic glasses filled with water are used to cool and refresh, and warm in winter to relax.

The most alarming aspects of the clinic's treatments must be what you look like to the operator, but presumably she is used to seeing patients looking like African witch doctors. This mask is used to warm a sulphur mixture in the treatment of acne.



Traditional beauty

Joy Lemoine is an actress. Each of her ears is pierced twice and she wears a pair of silver, hand-made crescent rings and a pair of gold hoops. One ear was pierced a few weeks after birth, as is customary in Nigerian families. She had her nose and ears pierced again two years ago in Nigeria. It was done with a hot needle, and she says it was painful.



Punk style

Mr Nick Payne has one ear pierced four times, a pierced nostril, but the safety pin through the cheek is an effect only. He pierced his ear first with a needle and a cork but since then has had it done at Kensington Market. He says the nose really hurt.

Photographs by Edward Bell

Beauty and bravery

"Arabian complexion powder, called Batikh, used by the women for whitening the skin, was made of ground cowrie shells, borax, rice, white marble, crystal, eggs, lemons, manna, and a bitter seed gathered in Egypt mixed with bean meal, chick-peas and lentils. This mixture was placed inside a melon, being combined with the melon seeds and pulp. After being thoroughly dried in the sun, it was reduced to a fine powder. Dye for hair and beards was concerned of fixed and salted gall-nuts, burnt copper, cloves, minium, pomegranate flowers, aromatic herbs, litharge, gum arabic, and henna all pulverized and diluted in the oil used for frying the nuts. This gave a black dye."

The definitive history of make-up, written by Richard Corson and published by Peter Owen, is filled with examples of the complexity, expense and discomfort men and women have put themselves to in the cause of being more attractive. What is attractive to whom is, of course, a different matter. Some traditional beauty effects practised by alien cultures strike one more as mutilation than enhancement, the results more gruesome than lovely.

I remember once on a visit to the South of France being intrigued by the gait of my hostess, a lady of undoubtedly a certain age (but precisely when it was hard to say). She was turned out in a scarlet Courtauld's jump suit, lissome and neat, and yet there seemed something a little cautious in her step. It was then whispered to me that she had only recently got back from South America where she had been having her bottom restored to apple-like youthfulness, an operation which apparently completed a chain of visits to the body shop which had rendered the game marquis virtually a rebrand.

Undoubtedly people are much more frank about their cosmetic efforts, and a great many more men seem to be resorting to treatments ranging from hair transplants to face-peeking. What is more, they tell you all about it. In the old days, a certain eerie secrecy surrounded the de-

parture from the social scene of some pature figure, and since the time taken for the bruises to heal could be confused by the ignorant with the time required for a quick drying out course, all sorts of rumours got around. As a matter of fact, at one time I am not sure that a man would not have had it thought he had retired to recuperate from too many dry martinis than to have his nose bobbed or his ears pinned back.

Come is such reticence. "Look," invited a handsome dancer at dinner the other night, and sweeping aside his admittedly thinning blond top hair he revealed a series of little dark puncture marks running neatly across his scalp, for all the world like a row of cabbages. "I've just had the transplant done in Toronto." The Chinese waiters, who had lustrous, thick black, parent leather hair to a man, looked inscrutable at this demonstration of the ways of the West, but I wanted to know if it hurt. It seems not, or not too much. The dancer reckoned each puncture was about as uncomfortable as an ordinary injection. For the nervous, I have reassurance from satisfied subjects that having your nose altered or the bags under your eyes smoothed out is totally painless.

Where you may feel a twinge is in your bank balance. Intercontinental Travellers Ltd, 9 Old Bond Street, London, W1 (tel: 01-493 0165) run something called Operation Holiday under which cosmetic surgery performed at St George's Private Hospital at Milford on Sea, Hampshire, is combined at an all-in cost with a recuperative holiday at a nearby four-star hotel. It makes good sense, much better to go to a strange hotel which is accustomed to odd bachelors than to alarm your family or bump into your friends.

According to the brochure, the longest stay at the hotel would be seven days (facelift, breast reduction, buttock reduction) while the longest in hospital is 10 days, which takes care of a bone graft to your chin or augmentation of your nose. Both these latter operations are followed by five days at the hotel, and cost, £1,155.

Property

also on page 18

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In Ghana: how an intellectual revolt shook the army's power

The contest in Ghana between the professional classes and the military regime seems to have ended in a draw, but it has been an extraordinary episode that must have wide repercussions in Ghana and elsewhere.

Doctors, lawyers, engineers and other professional men felt able to stand eyeball to eyeball with the soldiers, demanding that they give way to civilian rule. "You have the guns, but you cannot govern without us", they said, and they stopped work to prove it. There has been nothing quite like it since the Europe of 1848.

In the end they backed down, agreed that General Acheampong should not resign immediately, and accepted instead his promise that there would be a gradual return to some sort of civilian rule over the next two years. It may be an ideal solution for Ghana, desperate economic decisions will be faced by a "lame duck" government, and the temptation of military men to make hay before the sun sets will be great—but worse things could have happened.

The outcome is certainly a compliment to Ghana's traditions of peaceful and mature political debate: a "revolt of the intellectuals" would not have got far in Uganda, for instance. And to the extent that he has maintained these traditions, General Acheampong emerges with credit.

However, the abiding lesson which makes it worth looking at these events in some detail is that the professional classes have demonstrated that they have muscles to flex. Next time a group of officers thinks of seizing power they will have to consider a new factor: will the professional classes wear the same kind of hat as the military? And to the extent that the professional classes wear the same kind of hat as the military, the military will have to consider a new factor: will the professional classes wear the same kind of hat as the military?

But it was at the beginning of this year, shortly after celebrations of the fifth anniversary of the coup, that things really began to go sour for the Acheampong regime, which had up to then a good deal to recommend it.

A severe food shortage—people actually starving in places in the north—was the main cause. Much of it could be blamed on two years of drought, but there is no doubt there was also mismanagement.

The students protested, and the Government reacted vigorously. In March General Acheampong closed all the three universities and ordered the students to go into the country and help to grow some food. (There were later well-based but unconfirmed reports that two students were killed in disorders in Kumasi.)

This led to the first of three doctors' strikes. Senior men at the Legon medical school were worried about their students' examinations, for which distinguished external examiners had already come out to the country. Their memos were un-



General Acheampong: he has emerged with credit.

answered and they were unable to see any of the military rulers. So they stopped work. Almost immediately the universities were reopened. The Government claimed it was giving way not to the doctors but to pleas from religious leaders and from the Asantehene (or King) of the Ashanti.

There was more trouble at the universities, and the second doctors' strike arose because two professors at the medical school, who had been involved in the first imbroglio, were suddenly "retired". Again there was apparent success. The men were reinstated in the wisdom and magnanimity of the Government, according to a later statement.

Other senior professional men were also mysteriously "retired", including the Chief Justice and the governor of the Bank of Ghana, and this led to protest stoppages by lawyers and bank clerks. It was at this time—towards the end of May—that an attempted coup ended in a bungled effort to take over Broadcasting House in Accra. Nothing official was said and rumours about this and the retirements circulated.

The organization that now brought things to a crunch was the Professional Bodies' Association. This was originally set up simply to administer some property in Accra and bring into being a club for professionals; represented on it were doctors, lawyers, architects, engineers, planners, surveyors, chemists, accountants and veterinary surgeons.

Towards the end of June it turned political—almost revolutionarily. It passed a resolution, strongly worded, condemning the Government for incompetence and corruption, demanding that it resign before July 1, and threatening to strike if it did not.

The Government did not give in to this ultimatum—there was surely never a chance

that it would. However, in a dawn broadcast on July 1, General Acheampong did make a conciliatory gesture in promising to hold within nine months a referendum on the sort of civilian government Ghana wished to have.

This did not satisfy the professionals and things now became very tense, with widespread stoppages by lawyers, doctors, chemists and others. Twice electric power failed throughout the country, perhaps as a warning by engineers. Petrol stations ceased to work for some reason. There was a strike at an oil refinery because medical attention was not available.

Stories of "chaos" were probably exaggerated, but things were undoubtedly on a knife-edge. Soldiers broke into medical quarters at Korle Bu hospital on the outskirts of Accra and hurled furniture out of the windows. There are reports of two doctors being severely beaten.

On July 7 the Government deprived the organizations of their legality by repealing the Professional Bodies Registration Decree, and also froze their assets. The allegation was that "unfettered foreign power" had "funnelled huge sums of money" to them.

Two days later the Government issued a "stern and final warning" to all professional groups to return to work within 24 hours. It cancelled all army leave and promised it would not shirk its responsibility to maintain law and order.

In the end ultimatum gave way to negotiation, and Ghana good sense produced a compromise. General Acheampong, who has always said that the military realized they would not govern for ever, made a concession in spelling out an exact timetable for a handover to the civilians within two years, and the professionals have gone back to work. But things will never be the same.

Kenneth Mackenzie

In the last decade, an active philosophy of anti-socialism has achieved intellectual seriousness, and even respectability, for the first time since socialism, in its various forms, became the dominant force in world politics.

I do not refer simply to the more systematic criticism which has been applied to the way in which communist-socialism can be shown to have worked in the countries where it has been put into operation—notably Russia and China.

Nor do I mean only such resistance as has developed to the broader and apparently softer communist-Marxism with other philosophies, such as Christian Marxism, "Democratic" Marxism or Euro-communism, or to socialism as it is now understood by the majority of Labour's National Executive Committee.

Far more important is the fact that a coherent philosophy of anti-socialism is now directed just as vigorously against even the tenets of social democracy.

Those who believe that society can, and should, be organized to dispense social "justice" do not mean by this that it can be done efficiently and in a genuinely democratic political framework, as now as systematically opposed by an alternative philosophy as those who are called left-wingers. It is the intellectual energy of the attack on the idea of social democracy which is the most significant aspect of the new intellectual opposition to socialism.

For at least 50 years, socialism has been largely unchallenged philosophically. I do not mean by this that it has in practice been in the ascendancy for all this time, or that it has lacked effective political opposition; far from it.

The adaptable Conservative Party in Britain was remarkable for its success in delaying the advance of the Labour Party's socialism, and in stigmatizing socialism as neither pleasant nor respectable until at least 15 years after the war.

Injuries suffered by babies in the womb account for a relatively small proportion of total accidents. But the status of the unborn child has been a key consideration in the work of the Royal Commission on Civil Liability and Compensation for Personal Injury. This is partly because laws governing injury to the foetus are obscure in principle and inconsistent in effect.

Under the Congenital Disabilities (Civil Liability) Act, 1976, a mother whose negligent driving involves her in a crash while she is pregnant may be liable to pay damages to her child if it is subsequently born injured. Yet no such right is available to a child injured in the womb by a punch from a drunken husband. And under the abortion laws a mother may in some circumstances deprive her potential child of life with

impunity, provided she does so before it is born.

Further confusing the picture, if a foetus is aborted early enough, medical researchers are allowed to experiment on it during the two or three hours of life that may be remaining to it.

The Royal Commission has made clear its misgivings about establishing actions for civil wrong (tort) in the field of antenatal injuries, as under the 1976 Act. The Act may well be repealed in the light of the commission's final recommendations.

Experts say that only in the rarest of cases is the physical cause of a new-born baby's deformity ascertainable. To have to prove that the cause was due to a manufacturer's or individual's negligence would further greatly reduce the likelihood of winning compensation.

The Scottish Law Commission has said that Scottish law probably gives a child a right to damages in respect of harm caused to it before birth. It cites a principle in the equity branch of the law that a foetus, if it is subsequently born alive, is treated as though it has already been born whenever that is to its advantage.

But the English Law Commission has rejected that approach. It is thought by some commentators to have had in mind the difficulties of accounting for the abortion law, which allows the foetus having rights of its own. What, for example, would be the position of a mother whose baby was injured in the course of an unsuccessful abortion attempt?

Mr Jonathan Benthall, director of the Royal Anthropological Institute, has made a study of the status of the unborn child. He says the legal inconsistencies reflect a clash

of two social ideals. Fierce public debate of the kind engendered by the recent attempts to amend the abortion laws will continue for as long as the clash is unresolved.

On the one hand, he argues, the Christian notion of the individual soul or essence still permeates modern secular culture, and lies behind the unease on abortion. On the other hand, it is detrimental to family life, and to a woman's chances of fulfilment, for unwanted babies to be born.

The commission is to propose replacing a right to sue for damages for many kinds of accidental injury with the right to automatic compensation under a huge "no fault" injuries insurance scheme. Apart from ending the uncertainty, delay and expense of legal actions, the proposal could help to avert a potentially disastrous clash of legal

principles regarding the unborn child. But the issue of congenital disability highlights a broader difficulty faced by the commission, because of the uncertainty over whether defects at birth are the result of internal influences on the foetus or the "natural" result of family biological development.

Supporters of Britain's welfare state, for purposes of compensation, the distinction between congenital disabilities which a physical cause attributable and those for which the cause is not identifiable would mean that they should also abandon the distinction between the social provision for victims who are concerned, between accidental injury or physical or mental disability any kind?

Neville Hodgkinson
Social Policy Correspondent

Deformed babies: the question of responsibility

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Taking stock of our wildlife heritage

There are several reasons why the time has come to take stock of the work now going on in the British Isles into safeguarding many species of wildlife, and into preventing the destruction of the countryside. It was exactly 30 years ago that the first national strategy for nature conservation was prescribed, recognizing that the pressures on land use were causing a decline in wildlife populations, and were destroying habitats of those plants and animals.

The philosophy underlying conservation remains the same today: "to preserve and maintain as part of the nation's natural heritage places which can be regarded as reservoirs

for the main types of community and kinds of wild plants and animals represented in this country, both common and rare, typical and unusual, as well as into preventing the destruction of the countryside. It was exactly 30 years ago that the first national strategy for nature conservation was prescribed, recognizing that the pressures on land use were causing a decline in wildlife populations, and were destroying habitats of those plants and animals.

This effort to identify areas worth safeguarding has resulted in 150 places being declared official national nature reserves and more than 3,500 sites designated for their special scientific interest. Voluntary conservation organizations have also established important reserves without statutory protection. Yet the most authoritative survey so far, published today in two remarkable

volumes entitled *A Nature Conservation Review*, states in the introduction that over the past 20 years "human pressures on the land of Britain have caused a decline in the scale of attrition of wildlife and habitat even greater than that foreseen in 1947".

The review has been compiled by Dr Derek Ratcliffe, chief scientist, Nature Conservation Council, embracing studies from scores of professional and part-time scientists.

A photograph of a delicate lilac-shaded anemone called the Pasque Flower, a plant of chalk and limestone grasslands now threatened through destruction of its habitat, is the frontispiece to the first part of this impressive survey.

This is a reference guide to a different kind of 735 sites chosen as a matter of priority to be surveyed and recorded. Part of the review examines the factors taken into account in selecting a site which can range from a fraction of an acre to many thousands of acres in size. The essence of nature conservation is to identify the widest range of conditions of coastlands, woodlands, lowlands, grasslands, heaths and scrub, open waters, peatlands, upland grasslands and heaths, and artificial ecosystems which demonstrate the variation in

wild flora and fauna. Descriptions of the locations selected for review include the size, diversity of the plant and animal life, rarity, fragility, recorded history, potential value, and the degree of threat.

Such characteristics are difficult to assess. There are no established standards for defining many of these features. For instance, birds as a group attract a great deal more interest generally than do spiders and insects, and the colourful wild flowers and rare orchids arouse more enthusiasm than do mosses or minute liverworts.

While science may regard all these things equally, pragmatism dictates that in nature conservation it is necessary to attach more importance to some groups than others.

Many years of painstaking research by teams and individuals has led to the establishment of records of bird populations, reptiles, mammals, freshwater fish, butterflies and moths, and so on. Inventories of species of vegetation similarly range from trees, shrubs and flowering plants to a bewildering variety of lichens, fungi and algae.

The review explains the range of ecological variation influencing the distribution of the wildlife. Thus the scientist, or curious amateur has a guide to conservation sites that is as precise as the good food ones for the traveller.

More places may be added to the list prepared by Dr Ratcliffe eventually when the data for them has been gathered, as exists for the 735 sites accorded priority. The report on each location in the second of the volumes reveals the extensive studies needed in reaching an assessment of importance for a particular place.

A worrying note emerges in a short foreword to the publication from Mrs Shirley Williams and Mr Peter Shore, whose departments for Environment and for Education and Science carry responsibilities on the planning and research in the conservation field.

Acknowledging the importance of this account of a nation's heritage of wildlife and its habitats, they add that neither government nor landowners are committed to action on particular sites disclosed. But they believe the Review will be a valuable aid to planners and managers in reaching decisions about the future use of rural land.

Peace Wines
Science Edit
A Nature Conservation Review, Vol 1 £35.00; Vol 2 £25.00; Cambridge University Press.

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After shadows, the substance of office

Yesterday, you will recall, I left the Shadow Cabinet gazing into a clouded mirror and trying to catch a glimpse of who would be sitting where around the table in Number Ten when Margaret Thatcher forms her first Administration. Regular readers, start here.

My informants tell me that the Home Office could well go to Sir Geoffrey Howe (widely tipped, you will note, on many mounts or to Francis Pym. Then again, Sir Geoffrey might be given the Foreign Office, but not before it has been offered to Edward Heath (who will not accept it), to Lord Carrington (who would like it) and to John Davies (who currently has but the shadow of it).

If Sir Geoffrey and Sir Peter Rawlinson (to whom Mrs Thatcher owes nothing, but see yesterday's Diary) do not see office, I am told, will surely go to Lord Hailsham who held it before, with considerable distinction.

The Tory leader's admirers seem agreed that James Prior has been promised the Employment portfolio, though there are one or two who think it might go to Sir Geoffrey. It is rumoured aboard Morning

Cloud that Mr Heath would like it, but if he will not join the team as Foreign Secretary, it is hardly feasible that he would enlist as Employment Secretary.

In proposing incumbents for the five offices of State around which Mrs Thatcher will build her first Cabinet, my informants agree that some notable names have been omitted. What, they wonder, of Peter Walker (still out in the cold) and of Geoffrey Rippon (in on the outside of the grey and the other good things of Strathmore), both very senior members of the last Conservative Administration?

Many a slip...

Which is all very well, but (as thousands of you have called to point out) it presupposes that Mrs Thatcher is going to win the Election. If her performance at the recent Coningsby Club annual dinner is anything to go by, victory is far from assured.

It is reported that she treated the dinner, those elite and cerebral members of the Conservative Party, like a first form in a general paper class. Asked civilized questions, she sought to score points off her hosts in reply. Her reception was far from rapturous.

As one member said afterwards, "if she is like this now, what is it going to be like when it is PM?"

THE TIMES DIARY/PHS

All things bright and beautiful

When I heard that the Gloucester Cathedral Treasury was not to be opened in time for next month's Three Choirs Festival but rather on October 25, I was a little disappointed. As usual, my fears were unfounded.

The Treasury, which is a gift from the Goldsmiths' Company and has cost nearly £40,000 in the building and fitting out, is in fact ready to be filled with church plate and assorted goodies.

The Dean of Gloucester tells me that "the opening day will be the commencement of a long period during which generations to come will rejoice in seeing the beauty so long hidden".

The site of the new Treasury is in the Sylepe, described by Dean as "a dark, some passages, through which people could slip in or out of the cloisters"—though why they should wish so to slip remains a mystery both to him and to me.

Asked to write an essay about what she would do if she were monarch, Rachel, aged 8, of Hamlet primary school, Dulwich, began: "I woke up this morning and found myself cuddling Prince Philip. So I realized I must be the Queen."

Slogan expert waxes lyrical

How many extra copies of *The Times* were sold because of Ken Muller's ingenious slogans will never be known, but I saw that his brain children caused much buzzing around railway station posters.

Best of the bunch, I thought (and so did the Design Council who gave them awards) were "Prose without the Cons" and "You supply the mind, we'll supply the matter".

The clever campaign dreamed up by Mr Muller goes on, but now under new auspices. Mr Muller himself has changed advertising agencies and is also expanding some of his talents

on providing the lyrics to songs. I have just been listening to his jubilee offering, "Who's de Great in Great Britain?" has been recorded by a We Indian reggae band, although it ducks answering the question in the title it offers Queen Elizabeth II, William the Conqueror, Harold Wilson and de Sunny Jim man possible contenders for honour.

"Why the We Indian idiom?" (We (Mr Muller and Ray Can his music man) thought we examine what learning ain't 1065 and all that must be fit to the children of immigrant families in Britain today," Muller exclaimed.

Sign of the time

The novelist Eva Figgis, who as I reported on Tuesday has put into her new book an unprecedented plea for Public Lending Right, has most emphatically thrown a large boulder against my office door all the time.

Among those who wish Miss Figgis well is Mr Kenneth Thomson, general books editor of *Hearst*. He tells me how, four years ago, he explained to a visiting American publisher writer the intensity of the feeling that the PLR is generated. The American, finding a library copy of one of his books in a friend's flat, signed it, adding:

"Love to you all—but who about PLR?"

Mr Thomson says that if writers do this, throughout the country, it would be a perfect way to hit the prime target of any propaganda the Librarians would.

He doubts if there would be any danger of any author being accused of defacing public property. By signing the books, writers would be increasing, not lowering, the value of the library's stocks," he tells me with friendly logic.

My legal adviser cannot find a scoundrel in the argument provided the signature on a message does not obliterate the text.



Funny, peculiar

The fun surrounding Brazil's fourth Salon of Humorous Drawings, which opens in Piracicaba on August 20, begins with the official notification of the event, which has just reached me. It reads: "Announced we are sending you information. We beg your special attention for them, and yet their spread, for what we think."



THE POLICY OF SURVIVAL

The Government won their confidence motion last night but that is not to say that the House of Commons has confidence in the Government or that the Government have confidence in themselves. The events of the past couple of weeks have damaged the Government more than anything since the pact with the Liberals. In particular, they have been damaged by the failure to secure a phase three of Incomes Policy and by the reluctance of the Cabinet to support the policies of senior ministers.

The rule of the Cabinet, like the rule of Parliament, is occasionally true but usually a myth. The major policies of Government are obviously not formulated in Parliament though Parliament can break them. Nor are they formulated in Cabinet which is a committee of over twenty people dealing rapidly and often inadequately with a large agenda. Major policies are sometimes formulated in the Cabinet committees, the members of which, by a ridiculous and outmoded convention, are kept secret, and in less formal discussions between the Prime Minister and his principal colleagues.

When true Cabinet government occurs the motives and the results are usually bad. Cabinets can intervene in the search for political popularity, or to limit the power of a feared or unpopular colleague, or out of a fear of definite action. Very seldom do cabinets intervene in order to strengthen policy. More often they intervene in order to weaken it, in order to impose on the responsible ministers a courageous line, or a less clearly defined one, than the ministers themselves would wish to take.

The Cabinet stopped the Chancellor from issuing a White Paper on incomes policy. They refused to allow the Foreign Secretary to make even the smallest commitment of British Forces to a Rhodesian peace-keeping solution. Against the wishes of Mr. Varley, they intervened to award—or try to award—the Drax B contract without obtaining a rationalization of the power plant industry. In each

case they intervened for the purpose of weakness and with the motive of popularity. In all three cases they were wrong.

This is damaging to the process and reputation of the Government. It is damaging to the Prime Minister because it seems that he either cannot control his Cabinet or goes along with its weakness. It is damaging to the ability of the Government to continue to govern. Senior ministers have to make choices. They have to enter into commitments in which risk is involved. It is always easier to do nothing, but if senior ministers accept the rule of doing nothing as their guide to conduct, government becomes not only ineffective but contemptible. Those Ministers who led the Cabinet revolts against their colleagues bear a heavy responsibility for lowering the reputation of the administration.

Equally important is the failure to secure a phase three of Incomes Policy. This is important not because it is an economic catastrophe but because it was the central objective of the Chancellor's strategy and in seeking that objective, he has failed. Mrs. Thatcher made yesterday a penetrating analysis of Mr. Healey's inconsistency. He always has a policy, but his policies succeed each other like card tricks, as each recurrent policy fails.

It was always unlikely that a significant phase three could be secured, and even if it had been, it would probably have broken down before its year was up. Had the Chancellor taken this view, and accepted that a phase three would either be unattainable or useless, the actual failure could have been passed off as a matter of little importance.

That was not, however, Mr. Healey's view and it was not Mr. Callaghan's. They believed that a phase three was absolutely necessary to their economic policy, and to the welfare of the country, and they did everything in their power to achieve it. Their efforts broke upon the rock which was cemented in place by the sense of injustice which any incomes policy generates after it has been in

operation for a couple of years, particularly an incomes policy tailored by Mr. Jack Jones to suit the advantage of his own members at the expense of everyone else.

The surge of wages which normally follows the ending of an incomes policy experiment will almost inevitably push up unemployment. Businessmen are talking fearfully about pay increases and pay explosions, almost as though they were bound to pay any wages which the trade unions happen to demand, and were not free agents in the matter. Businessmen will have to learn to say "no". If businessmen do pay awards which are not justified by economic conditions, and cannot even be financed inside the present rather loose monetary policies, they will suffer heavy losses, and they will deserve to do so. If trade unions push wages above the market rate, they will create unemployment for their members; they will deserve to be blamed for that.

Last March the Liberals had reason to give the Government the chance to carry out policies which the Government believed in and the Liberals also believed in. At the centre of these policies was the attempt to make incomes policy last for a third year. In voting for a Government which does not have an effective incomes policy any longer, the Liberals are voting for an economic policy in which neither they nor the Government believe, though it may well be the right one.

It is essentially the economic policy which the Conservatives have been advocating: a policy of limitation of growth of the money supply as the central means of containing inflation. So long as incomes policy was thought to be the main theme of economic policy, there was reason to keep the Labour Party in power because the Labour Party is in a stronger position to conduct an incomes policy and to negotiate with the trade unions than are the Conservatives. But if our defence against inflation is to be monetary policy, then it would be better for it to be conducted by a Government which both understands it and believes in it.

The expulsion of MPs

From Lord Harnham-Nicholls

Sir, I have been disturbed to detect a feeling in the "Corridors at Westminster" that MPs should use the Report of a Select Committee to expel at least one of their elected colleagues.

It would have to be a much more authoritative body than a non-judicial Select Committee Report to convince me that a constituency's choice, made at a properly conducted election, should be so easily negated.

To give publicity in the form of a Report, to a breach of conventions and accepted standard of Parliamentary conduct, which eventually the voters can take into account, is one thing, but to push this to the point of expulsion which can for a period decide the make-up of Parliamentary membership carries too many dangers in these days of minority government and single figure votes.

A decision from the Courts of Law is another matter. Proved guilty with a prison sentence—after full facilities for defence have been available—are well known grounds for expulsion and should remain, but to be so extreme without the protection of such judicial procedure has too many long term dangers.

Particularly in this case where the parties concerned claim that they were never questioned on vital matters, which appear to have influenced the "Select Committee" as to the terms of the censure included in their Report.

In the absence of another meeting of the Select Committee which full freedom is given to give unbridled evidence in their own support to the parties concerned, then the Government's decision merely "To take note" of the Report would seem to be the fairest way of dealing with the matter—pending the voters' views at the next election.

Yours, etc.
HARNHAM-NICHOLLS,
House of Lords,
July 20.

The Marlborough papers

From Professor J. H. Plumb

Sir, Professor Holmes (July 16) is wrong to think that the signed letter pleading for the Marlborough papers to be deposited at Churchill College, Cambridge, for the sake of having them on my own doorstep. I did so for obvious and powerful reasons that have little to do with either selfishness or sentiment.

The papers, as the under-staffed and overworked Professor Holmes will recall the long years that it took for the Portland and the Egmont papers to be properly catalogued and made easily available to eighteenth century scholars, in an ideal world it would be excellent to have all eighteenth century papers in one library, but this can never be so.

Scholars using the Marlborough papers will have to come to Cambridge, as Professor Holmes himself has done, to look at the papers. Sir Robert Walpole's archive deposited in the University Library, as well as other collections, some of which are already in Churchill (i.e. Ernie Drax MSS). Scholars have to go to Herford for the Cowper papers, to Oxford for the variety of collections, and a score of other places.

Placing the Marlborough papers in the British Library will not bring his peregrinations to an end. And it is to the scholars' advantage that his ideal should be for the dispersal of the papers in the British Library, as Mr. Correll Barnett, a scholar of military history who has written about Marlborough—an ideal custodian. The Churchill Library is spacious, never overcrowded, and in consequence, there is no consuming desire which, for no fault of its own, afflicts the British Library.

I cannot remember any outcry when the Locke papers went to York, or the Becket papers to London. And quite rightly so, the housing and servicing of great manuscript collections must be shared amongst a number of well-run repositories, in that category Churchill is second to none. Yours truly,
J. H. PLUMB,
Christ's College,
Cambridge,
July 18.

Keeping theatres alive

From Mr. Hugh Jenkins, MP for Farnley (Labour)

Sir, The call upon local authorities to acquire unprofitable theatres is one to which many have responded but other authorities have been discouraged from following their example for two reasons. First, there is not enough large-scale "product" to fill the buildings throughout the year, and secondly the Government has never made it clear that it is ready to go into partnership with local authorities who are willing to fulfil their civic and artistic responsibilities.

The first need may be met, in part, by giving the Theatres Investment Fund extra money and a firm direction that a readiness to undertake eventual touring will be a condition of financial support in future.

The recent establishment of the Theatre Trust provides an instrument for the fulfilment of the second need. The Arts Council has always rightly regarded itself as the means of Government artistic patronage rather than as a body with buildings though it has done its best to shoulder the task in the absence of any alternative. The Government is made it clear that the Theatre Trust cannot look for financial support from the state but if this policy could be reconsidered I believe that a basis for the survival of theatres outside London (and perhaps outside London) could be found in partnership between local government, private investment, central government support and private benefaction.

Yours faithfully,
RUGER JENKINS,
Deputy Chairman, Theatres Trust,
House of Commons,
July 19.

Trade union immunity under the law

From Professor F. A. Hayek, FBA

Sir, When will the British public at last learn to understand that there is no salvation for Britain until the special privileges granted to the trade unions by the Trade Disputes Act of 1906 are revoked? Mr. Robert Moss is probably right when he writes that "the Liberals who blithely passed a Bill drawn up by the first generation of Labour MPs in keeping of an electoral promise quite literally had no idea what they were doing."

But they were soon unmistakably told. A. V. Dicey presently spoke of the Act of 1906 as having conferred "upon a trade union a freedom from civil liability for the commission of even the most heinous wrong by the union or its servant, and in short conferred upon every trade union a privilege and protection not possessed by any other person or body of persons, whether corporate or incorporate. The law makes a trade union a 'privileged' body exempted from the ordinary law of the land."

And in 1925 another great jurist, Sir Paul Vinogradoff, again emphasized that "the Trades Disputes Act of 1906 conferred upon the unions a freedom from civil liability for the commission of even the most heinous wrong by the union or its servant, and in short conferred upon every trade union a privilege and protection not possessed by any other person or body of persons, whether corporate or incorporate. The law makes a trade union a 'privileged' body exempted from the ordinary law of the land."

In 1942 a foreign economist, "immediately familiar" with British affairs, the late Professor Joseph Schumpeter, looking back at the "immunity" which the law of agency and the law of tort conferred on them as a special privilege by an irresponsible government having a few more years of power. That fatal mistake must be undone. Only such a power can enable a responsible government to reverse the trend towards subject poverty.

F. A. HAYEK,
Urchstrasse 27,
D-78 Freiburg i. Br.,
July 14.

Changing apartheid

From Professor K. L. Manchester

Sir, May I as a Briton at present living in South Africa suggest in response to Lord Chalfont's recent articles on this country that the first step to a more effective policy by which the West can seek peacefully and constructively to oppose and change apartheid. This is by massive aid for African education.

As Lord Chalfont observes there are many white South Africans who are well aware that change must come and fervently pray that change may come peacefully. But how? A bogey for many whites is seeing blacks as they mostly are at present—natives, garden boys and labourers—and the thought of closer association with such groups is not easily accepted, not to mention language and cultural problems.

Irrespective of whether South Africa does or does not at the moment do all it can for black education, to provide adequate schooling for 20 million Africans is an impossible burden for a white community of four million and only international aid can rapidly raise educational standards.

Educational aid would increase African job opportunities where it is most needed—there are far too many African "unskilled" labourers and far too few with suitable skills. South Africa at the moment is suffering a severe recession and it is the black population that is bearing the brunt of it. Recession assists the dispersal of blacks away from urban industrial areas and back to the homelands—a fine apartheid principle.

Educational aid by bringing

damages for tort—which practically amounted to ensuring that trade unions could do no wrong—this measure in fact resigned to the trade unions part of the authority of the state and granted to them a position of privilege which the normal extension of the exemption to employers' unions was powerless to affect.

And only twenty years ago Lord MacDermott "revelated" that in short, the act "put trade unionism in the same 'privileged' position which the Crown enjoyed until ten years ago in respect of wrongful acts committed on its behalf."

Yet still, when the fatal effects of this are before everybody's eyes, nobody dares to consider removing the source of all that misfortune. There can indeed be little doubt to a detached observer that the privileges then granted to the trade unions have become the chief source of Britain's economic decline. It is an illusion to believe that a government is in a better position to deal with the unions. It is no use suggesting to them moderation when they do all that harm by exercising their chartered rights.

A Labour government cannot touch the sacred charter which is the authorization of all this licence. The public hardly yet understands that the power of the trade unions to destroy the economy has been conferred on them as a special privilege by an irresponsible government having a few more years of power. That fatal mistake must be undone. Only such a power can enable a responsible government to reverse the trend towards subject poverty.

F. A. HAYEK,
Urchstrasse 27,
D-78 Freiburg i. Br.,
July 14.

investment into the country would stimulate the demand for black labour and help to raise black living standards. It would expand the economy which is a prerequisite to the first "price" of material wealth. The first "price" of material wealth is far less likely to be willing to be pushed around by a white minority. In my view, the impossibility of this would become increasingly clear to the white community and is the nub of how peace can be achieved.

It is obviously difficult for people outside South Africa to see the various problems of the country in full perspective. Prohibition of mixed marriages, for example, may be repugnant to many in Britain, but it is of no significance to the vast majority of South Africans, black or white. Abolition of influx control, unquestionably a restriction of personal freedom, might only lead to a drift to the towns of large numbers of blacks with minimal education and qualifications for whom there would be no work and whose presence would only aggravate the already severe housing problems of the African townships or lead to development of new slums.

Those of us who wish to see black South Africans take their part in the affairs of South Africa have to accept that the average black by comparison with the average white is at present ill equipped to do so. Only massive educational aid begun as soon as possible can remedy this situation.

Yours faithfully,
K. L. MANCHESTER,
Department of Biochemistry,
University of the Witwatersrand,
1 Jan Smuts Avenue,
Johannesburg,
South Africa,
July 6.

News in common we thought with all other responsible newspapers, to make sure that any allegations involving criminal conduct are checked and rechecked both with the person alleging the criminal behaviour and also those against whom the allegation has been made. We have no record that you did us the courtesy of checking whether Mr. Braby was correct and the circumstances in which he was grateful if you would publish a letter as a refutation of the matters contained in Mr. Braby's letter.

Yours faithfully,
MICHAEL MASON,
Acting Editor, News,
14 Northumberland Road,
Greyhound Road, W14,
July 20.

From Mr. Nicolas Walter
Sir, John Braby alleges that he has received "from Guy News" a request to support a reprint of James Kirkup's poem "The Love That Dares To Speak Its Name" and comments that it is "ugly and profane" and "comparable to entering a church and defecating upon the altar" (July 20).

He seems to have read the poem as carefully as he read the request. The former may not be true or good or beautiful, but it really isn't as bad as he says, and the point is whether the consenting adults should be able to see it. It is the most objectionable work of art and make up their own minds about it, rather than resigning critical judgment to the criminal law and the latter had nothing whatever to do with Guy News but was clearly marked with the same name and address as this letter.

NICOLAS WALTER,
134 Northumberland Road,
Harrow,
Middlesex,
July 19.

From Mr. P. J. Allery
Sir, To test the legality of their protest against a Guy News blasphemy verdict should not you anti-censorship correspondents be required to say whether or not they similarly protested against the breach of the peace-penalty sections of the current Racial Discrimination Act?

Yours, etc.,
P. J. ALLERY,
55 Crystal Palace Road, SE22.

Adam Smith and Marx

From Lord Kaldor, FBA

Sir, Mrs. Thatcher's structures on the View of Harwell and Chilton (July 18) reveal that her own knowledge of Adam Smith (and of Marx) is of a rather rudimentary kind.

In fact all important ideas in Marx derive from Adam Smith (sometimes embellished with the refinements introduced by David Ricardo). The difference is mainly that Marx expresses everything in the emotive language of a German Romantic philosopher, trained in Hegelian dialectics. (Hegel himself was much closer to Mrs. Thatcher in his general philosophy than to Marx or the Marxists.)

This is true in particular of historical materialism, the essence of which lies in the proposition (as put by Mrs. Thatcher) that "economic change has underlain all other change in human history". As a great German scholar of Adam Smith, Professor Recktenwald of Nürnberg University (of West Germany) emphasised in a recent book, more superficial readers of the *Wealth of Nations* overlook the fact that his treatise has a dual character. One part is a theoretical or philosophical treatment of history which grows the evolution of human societies as consisting of four stages—a society of hunters, shepherds, agriculturalists and finally traders and manufacturers. The other part relates to the laws of operation of the market economy. It is to him that we owe the idea that the prevailing modes of production determine the nature of social institutions, the form and extent of property rights, the nature of the relationships between men in society and their equality or inequality. In fact, any careful student of Adam Smith who has read the *Communist Manifesto* will recognise how grossly the ideas contained in the latter were borrowed from the former.

Smith also was the originator of the labour theory of value, which is the central core of Marx's theory—not only in the sense that the value of commodities depends on the quantity of labour embodied in them, but in the more fundamental sense that labour is the source and origin of all wealth. In Adam Smith's actual words, "Labour was the first price of material wealth, and it was paid for all things. It was not by gold or by silver, but by labour, that all the wealth of the world was originally purchased." Moreover, he asserted emphatically that the power which the possession of material wealth confers is "the power of command over all the labour, or over all the produce of labour, which is then in the market" (*The Wealth of Nations*, Book I, Chapter 5).

It is true that Adam Smith, unlike Marx, did not speculate on what further stage of development of society would replace the society of "traders and manufacturers" (which Marx called capitalism); nor did he anywhere say (to my knowledge) that the market economy was the ultimate stage of development of human society.

Finally, Mrs. Thatcher fails to make any distinction between the ideas of Marx and the practices of present day "Marxist states". Marx certainly did not envisage that Socialism meant a society of "cruelty, misery, callousness, miserliness, new crying inequalities". He imagined that the establishment of Socialism would mean the withering away of the State. It would end the exploitation of man over man, the rule of material wealth over man, through the naked power of physical force. In contrast to Mrs. Thatcher he looked forward to a society in which complete individual freedom would prevail. He may have been naive, but he should not be held responsible for Mrs. Thatcher's list—any more than Richard Wagner was responsible for Hitler.

Yours faithfully,
NICHOLAS KALDOR,
King's College,
Cambridge,
July 19.

Discovery of penicillin

From Major-General A. N. T. Menzies

Sir, In Paris the Val-de-Grâce Military Medical Museum includes a fascinating exhibit of the work of a young French army medical officer, Rene Duchesne, who in 1897, at the age of 23, first discovered the antibiotic action of penicillin, more than forty years before the discoveries by Fleming, Florey and Chain.

Working under the celebrated Professor Roux at Lyons, Duchesne on December 17, 1897, submitted his thesis entitled "Contribution à l'étude de l'antagonisme entre les Moisissures et les Microbes". This thesis clearly demonstrated the therapeutic possibilities of penicillin. Duchesne died of tuberculosis at an early age and his researches were not followed up.

Yours faithfully,
A. N. T. MENZIES,
No 2 Bracken Road,
Seaford,
Sussex.

Mrs Whitehouse knows?

From Mr. Jonathan Harper

Sir, I noticed in your report of the World Chess championship, in the edition of *The Times* I received (July 16), that Poysech "has an extra pawn". Does Mrs. Whitehouse know about this?

Yours faithfully,
JONATHAN HARPER,
Thorncliffe Vicarage,
Cumbria.
Bradwinwaite, Nr. Keswick.

THE POST OFFICE SHOULD BE SPLIT

Almost no subject, if letters to the Editor are any guide, produces and provokes greater public interest than the Post Office. As the biggest single employer in this country, with a range of services which affects almost every aspect of our working and private lives, this is perhaps only to be expected. In the case of telephones and telecommunications the industry has coped with gigantic technological changes in the past several decades and an explosion of demand. Yet many customers feel that they service them, say, from a television rental company.

On the postal side of the Post Office's operations, we have the paradox that the service has declined in quality continuously in recent years, while at the same time what is offered compares very favourably with anything in other major industrial countries. The main recommendation of the Carter Committee is that the two central parts of the Post Office's operations should be split. On almost every ground this conclusion should be endorsed. The kind of management, or financing, or industrial relations, or marketing, or distribution, or telecommunications, or telecommunications on the one hand and for the traditional postal services on the other have almost nothing in common. While quite separate businesses can in principle be managed together in one conglom-

merate, the huge size of the labour intensive postal side of the post office and the heavy involvement of telecommunications in a capital intensive industry at the frontiers of advanced applied technology are factors which argue for the full attention of a separate and specialized management for each aspect.

Implied in the very existence of the Carter Committee and running through the whole of its report is disappointment that the high hopes of the 1969 reconstitution of the Post Office have not been realized. By giving off the Post Office, until then a Whitehall department, the then Government hoped to create a situation in which greater commercial reality and discipline would be injected into the workings of the Post Office. The fact that, in essentials, the Post Office is still run as if the change had not taken place and as if the chairman of the Post Office was still a Permanent Secretary is not entirely the fault of the Post Office itself. Much of the blame lies with politicians and with Whitehall.

In this the Post Office has shared experiences with many other nationalized industries. Since those who like Rolls-Royce, which came into the public sector as fully fledged commercial undertakings, Whitehall has not been successful so far in developing the sort of arms-length relationship which allows ultimate ministerial

responsibility to be combined with actual operational independence for the public corporation in question.

The Post Office, however, cannot escape direct responsibility for the decline in its standing with the public in general. When it was part of Whitehall it was covered by a strong and splendid tradition of public service, rooted in its Victorian origins. It might have been expected that its reconstitution as a separate public corporation would heighten this sense of service to the public.

Again, however, in common with other nationalized industries, like British Rail, there has been a cumulative impression in recent years that priority has not been given to producing and marketing a service, or a product, designed to meet the requirements of a market at a price which consumers are prepared to pay. The impression, on the contrary, has been that the primary concern has been with technical and administrative considerations, with the convenience of the Corporation itself and with the problems of containing its own industrial relations. The public often feels that the combined result is that passed on at whatever price comes out of the equation on a casual "take it or leave it" basis. Engineers, finance and labour relations experts are important. But so is marketing. In many nationalized sectors we do not get enough of that.

Defective products

From Mr. Robert Pirrie

Sir, Commenting on the joint report of the Law Commission and Scottish Law Commission, "Liability for Defective Products", your Legal Correspondent states that "at present, the right to claim damages for injury is normally subject both to having to show a contractual relationship between the person injured and the person sued, and having to prove that the manufacturer did not take reasonable care in producing the article in question". With respect, and at the risk of being considered a legal pedant, this is not an accurate summary of the existing law, certainly not of the law of Scotland. The test of liability for negligence is whether the person sued owes a duty of care to the person injured; and such a duty will be held to exist where injury may reasonably and probably be anticipated if the duty is not observed. The existing law does not require the person injured to prove the existence of a contractual relationship with the person sued: a manufacturer is liable to a consumer if it is reasonably foreseeable that lack of reasonable care in the preparation of goods may cause injury to the consumer.

Yours faithfully,
ROBERT PIRRIE,
The Firm,
Moore Road,
Strathblane,
Glasgow,
June 16.

Sootlit exhibitions

From Mr. Bernard Dunstan, RA

Sir, Having suffered for years from the fading of darkened or smoky exhibitions, I would like to support the letter from Mrs. Bryant (July 11) on the Fabergé show. But perhaps it is time the whole question of gallery lighting was brought up. All painters know that a picture looks best, and is seen at its best, in the light: it was painted, by preference clear, even daylight, which incidentally costs nothing at all and is universally available even in our climate.

If artificial light is necessary it should have as far as possible the same qualities of evenness, clarity and inconspicuousness. Unfortunately the modern lighting systems using spotlights which many galleries have adopted in recent years are a highly visible way of lighting works of art, creating uneven illumination, pools of light surrounded by dimness, glare, and harsh shadows. It is curious that modern technology has resulted in standards of lighting in some of our major galleries which, in the opinion of many practising artists, are well below a reasonable standard. Examples could, I am afraid, be cited from many recent displays at the National Gallery, the British Museum and the V. and A. as well as the Fabergé show which Mrs. Bryant mentions. It is a pleasure to go into some of the rooms in these galleries which are still daylight, and to see works of art illuminated with clarity.

Yours faithfully,
DUNSTAN,
10 High Park Road,
Kew, Richmond, Surrey.

Saffron Walden Liberals

From Mr. John Garrett

Sir, Mr. Edinger's opinion (July 14) of the attitudes of Saffron Walden Liberals to the agreement with the Government is interesting but requires correction at one or two points. First, it is certainly true that Mr. Edinger has been a valued and distinguished helper in the past and naturally it is regretted that he felt it necessary to withhold his support from us at this time, particularly in view of the high opinion he says he holds of the Liberal candidate.

However, with respect to Mr. Edinger, he has not been an activist in this association for many years and is hardly qualified to make generalisations about the local electorate's political attitudes.

Bearing in mind the extreme pressure upon us by the well-oiled and well-heeled Tory machine (11 imported professional agents and bus loads of supporters to make crowds for Mrs. Thatcher) we believe that 25 per cent of the votes cast was a creditable result.

Contrary to Mr. Edinger's opinion, our canvassing returns showed a steady increase in understanding and acceptance of the agreement, as presented by the candidate.

Yours faithfully,
JOHN GARRETT, Hon. President,
Saffron Walden Constituency Liberal Association,
Old Crown House,
Dunmow,
Essex,
July 16.

THE TIMES

BUSINESS NEWS

Cheverton
Workbooks

 5m-23m
 Crows, Isle of Wight, Talcott, Dover, Kent, 1976

 A two-tier
 future for the
 Post Office?
 Page 19

OECD expects jobless in Britain to rise by over 200,000 in the coming year

After recording a very small surplus on our current account in 1977, the surplus should be running at an annual rate of £2,500m by the first half of next year.

However, it is believed that by early 1978 the speed of increase of our exports in volume terms will be showing signs of moderating as British prices become less competitive. Figures during the second half of this year ought to show some signs of an improvement in real personal disposable income, though for the year as a whole there is expected to be a drop of around 3 per cent.

Of other leading OECD countries, only the United States is seen as having prospects for sustained expansion at a level fast enough to bring down unemployment. It is also thought to be the only country in which investment outside the residential sector will recover over the next 12 months.

The report provides evidence for those who favour a stimulus package by Japan and Germany, both of which are being urged by their partners to increase domestic demand.

Japanese demand is thought likely to grow by only 4 per cent in the first half of 1978, well down from the 8 per cent expected in the second half of this year. Gross national product is seen as growing at an annual rate of 5 per cent in the first half of next year, down from 7 per cent.

Growth in Germany is expected to be only 4 per cent in the 12 months to mid-1978, causing a further increase in unemployment. Inflation will probably rise in France, which is predicted to have a growth rate of 3 per cent, and in most other European countries.

These increases would counterbalance an improvement in the United States, leaving the overall unemployment for the OECD steady at around 15 million.

The total OECD area is expected to run a deficit of some \$30,000m this year; but it is believed this will fall in the first part of next year to \$25,000m.

However, the global total conceals wide variations in performance. The United States is to run a deficit of around \$14,000m this year, which is at the upper end of most previous predictions.

Other heavy deficits will be recorded by Canada (\$4,000m), France (\$4,250m) and a string of smaller countries which, taken together, will have a deficit of some \$12,000m. Surplus countries this year will be Japan (\$7,000m), Germany (\$2,500m) and Holland.

In the first half of 1978 the Japanese surplus is expected to fall to an annual rate of \$4,500m, but deficits of the smaller countries are thought likely to remain a problem.

The forecast contained in the OECD outlook will play a big role in the discussions which will go on within the organization about the right policy to pursue during the coming months.

At the recent ministerial session it was agreed that the Western nations should aim for a growth rate of around 5 per cent next year, which is what they were supposed to achieve this year but which they will fail to reach.

Economic Notebook, page 19

CBI looks to ministers for a lead on pay levels

Private sector companies in the Confederation of British Industry will look to the Government, as paymaster for the public sector, to establish the lead on levels of pay under free collective bargaining. If high public sector settlements are made, private companies will regard themselves as being also free to settle at high levels.

This warning came yesterday from Lord Watkinson, president of the CBI, at a meeting of the organization's council held at the Government's White Paper on pay and the TUC Economic Committee's support for the 12-month wait between pay settlements.

The CBI would not try to control the level of settlements made by its members, Lord Watkinson said. We shall not be a grandmaster setting round roving employers over the knuckles.

But the CBI will stick to supporting the 12-month rule by those falling under phase one of the new wage policy, although it could prove "difficult" to carry this through with some long-term phase two settlements.

Mr John Methven, CBI director-general, will also issue guidelines on pay for the settlements although only "in general terms". The CBI will reconsider the situation at a special meeting next month when both the government and TUC positions may be clearer.

Lord Watkinson told the council: "Because the Government and the TUC have failed to continue their own agreed wage policy, at the very moment when the nation faces success or failure on the hard road against inflation, this places a heavy burden on every member of the CBI."

"We must do all that we can to make it plain to every one of the millions of people that our members employ, the hard truth that only moderate sensible pay settlements can achieve the levels of inflation next year that will make life tolerable."

While the CBI would advise companies not to make excessive settlements, there was also the factor that with industry basically unprofitable it would not be easy for companies to meet high pay demands.

He forecast that if pay settlements averaged 15 per cent there would be unemployment of 2.5 million within 12 months and a statutory wage policy from whatever Government was in power.

Trade union leaders realized that despite early calls for very high wage demands, actual settlements might well prove more modest.

But Lord Watkinson added: "If the Government is seen to capitulate to the powerful groups—miners, say, or dockers—when private employers will take it as a signal to get on with it."

The CBI is setting up a data bank to record pay settlements and pending in private industry. This would be to keep employers informed of the general level of settlements in their sector and would not be used as a monitoring or control device, Mr Methven said.

Mr Methven said the CBI would have no way of monitoring settlements in the public sector in information about them.

British Sugar Corporation aims to raise £18m and double dividend

By Richard Allen
 British Sugar Corporation which is in the course of a £150m recapitalization and expansion programme, yesterday announced a one-for-two rights issue to raise just over £18m.

News that the group was issuing new shares at 37.5p, a discount of almost 22 per cent on the 480p overnight price, and planning to double the dividend payment sent the shares sharply ahead in morning dealings. But after some profit-taking the shares fell back to close 10p lower at 47.0p where the prospective yield is just over 6 per cent.

Some confusion was caused in the stock market by the news that the Government which holds more than 36 per cent of the existing equity did not propose to take up its entitlement but intended to sell the rights in the market. As a result the Government's stake will drop to just under 25 per cent.

Predicting full year pre-tax profits of around £20m against £14.3m last year in the period to September 25, Sir Gerald Thorley, BSC chairman, said yesterday that the figures were a pointer to the higher level of earnings which should be achieved with average crops in the future.

The group has already spent £4m in the first two years of its £150m expansion plan which is aimed at increasing the corporation's production to about 1.25 million tonnes by 1980.

Last year's drought-hit crop amounted to a depressed 700,000 tonnes. Although BSC never speculates on the sugar yield, this year's crop is widely expected to produce up to 1.1 million tonnes.

Despite its huge expansion financing requirements during a period in which cash flow has been severely eroded by three poor crops in succession, BSC claims that the rights proceeds are mainly required for increase in permanent working capital.

The company's growing market share is creating a need for higher volumes of operational stocks partly as a result of new EEC regulations which require the retention of a minimum stockholding of 10 per cent of annual sugar production at all times.

Financial Editor, page 19

Brokers get new rules on 'insider' trading

By Our Financial Staff
 Important new guidelines aimed at curbing insider dealing have been sent to stockbroking firms by the Stock Exchange Council. They concentrate on the relationship between brokers and their quoted client companies and are a result of a number of well-publicized irregularities involving partners' dealings.

In its letter to brokers the council says it is up to firms to fix their own rules on dealing for client companies but states the principles on which these should be drawn up.

It includes a number of "notes of guidance". The most important is that members of broking firms should avoid entering into deals of a short-term or speculative nature "in the shares of a client company when dealing for themselves, their immediate family, family trusts or private investment companies".

The council, whose chairman is Mr Nicholas Goodison, senior partner of Quilter, Hilton Goodison, recommends that a member firm should keep its corporate finance department separate from its dealing department.

Firms should keep up-to-date lists of their client companies and should monitor all deals in client companies, the letter says.

Where a conflict of interest arises between a client company and, say, an investment client, the broker should decide to which its prime allegiance lies and inform the other accordingly.

The letter also underlines what has become a cardinal rule for all stock exchange transactions—that a broker should neither deal when in the possession of price-sensitive information as a result of his relationship with a client company, nor make any recommendation when possessing such information.

Senior broking firms in the City regard the guidelines as highly important. Although firms have worked to similar rules internally, it is regarded as useful to have such statements of "best dealing practice" codified.

The Stock Exchange Council had been thinking of issuing such guidelines for about four years and recent events finally provided the catalyst for its letter to be sent out nearly a month ago.

Finding such a document in the hands of major firms should make future Stock Exchange investigations into irregular dealings in client companies that much easier.



Mr. Nicholas Goodison.

Fears over 'US tankers only' move

By Michael Baily
 Shipping Correspondent
 "Profound concern" at President Carter's latest move to reserve oil imports to United States flag tankers was expressed yesterday by the 12-nation Council of European and Japanese National Shipping Associations (Censa).

The move could curtail and curtail the world bulk shipping and push up world shipping costs and could encourage Russian opportunism by creating chaos on world trade routes a Censa spokesman said in London.

The Carter measure, redeeming an election pledge to help American maritime industries, would reserve a 41 per cent share of oil imports, starting next year, to US flag tankers. Legislation goes through increasing to 91 per cent in five years.

This is somewhat less than the 30 per cent sought in the Murphy Bill, but world shipowners fear that it would encourage Russian opportunism to much higher shares and encouraging lesser nations to follow suit.

Similar legislation was vetoed by President Ford on the grounds that it would have an inflationary effect—United States agriculture and other domestic interests are bitterly opposed to it—and its international repercussions. It would be contrary to United States commitments to Gatt, OECD, and treaty agreements with various countries, Censa points out.

Mr Ian Ross-Bell, Censa's secretary-general, said in London that the United States Administration's primary motive seemed to be to help United States shipbuilders, but creating additional work at this time would only add to the existing substantial world surplus of tanker capacity.

He added: "An important and potentially very damaging point is that unilateral cargo preference measures introduced by the United States would almost certainly have a contagious effect."

"Once the principle of unilateral cargo preference legislation is accepted, we believe strong attempts will be made to spread it from oil imports to the carriage of dry bulk commodities."

Censa would be presenting both written and verbal evidence against the measure to Congress.

Preparations for study on steel problems

Paris, July 20.—A one-day meeting on the problems of the world's steel industry, which are causing increasing tensions among the industrialized nations, is seen as a first step toward multinational talks.

Participants at an ad hoc working group of the Organization for Economic Cooperation and Development agreed today that the key role played by steel industries in the economies of member countries and the importance of the issues facing the governments warranted multinational examination.

The group agreed to invite participating countries to prepare statements for the next meeting, scheduled for September 29-30, on the steel industry's national industries.

These statements should include a review and analysis of the current supply and demand situation in their own market and main problems being experienced, as well as the longer-term developments and competitiveness of their industries and related problems, the sources said.

The group, which was set up after a United States proposal, has also asked the OECD secretariat to prepare a document on short and longer-term supply-demand forecasts drawing mainly on existing studies.

In addition, a further analysis of trends in the pattern of international trade in steel, including in non-OECD member countries, is called for the sources said.

Participants welcomed an initial OECD report submitted to the meeting as a "useful starting point" for their work and as forming the basis for identification of the main issues.

They agreed that the meeting was "timely" due to the deep and widespread depression in the industry and was a matter of urgent concern to governments.

Representatives from the United States, Japan and the European Community held bilateral and multilateral talks on Tuesday to review a number of pressing issues such as complaints of dumping, subsidies, self-limitation agreements and other so-called unfair practices.

Unleashed steel makers want to limit Japanese steel imports to 5 million tons annually, corresponding to the 1975 level.

Last year Japan shipped 7,980,000 tons of steel to the United States. During the first five months of this year Japanese shipments rose 7 per cent to 3,080,000 tons from 2,860,000 in the same period of 1976.—AP-Dow Jones.

Earnings-prices gap is widest yet

By Caroline Atkinson
 While earnings rose by 10.3 per cent in the year to May, the cost of living soared by 17.1 per cent, the widest gap since board of his figures were first collected found an index of the 1960s.

But the very success of the school and earnings increases, despite the fact that higher inflation than was awarded as predicted at the start of phase 1 in 1974, has had the effect of making the Government's policy of restraint in the May 1977 pay award.

He said: "The Government will be pleased to see from the May 1977 figures for average earnings that they are probably still on target for a single figure increase in the year to 1978. There must be more confidence in the likely level of earnings in the next pay award."

He said last Friday he expected the final earnings outturn during phase 1 to be 9 per cent. This would leave room for an increase of less than 1 per cent in the next two months. It is possible that there may be a slight overshoot, but it is unlikely that the rise will exceed 10 per cent.

During May average earnings, after seasonal adjustment, rose 10.3 per cent compared with 10.1 per cent in April.

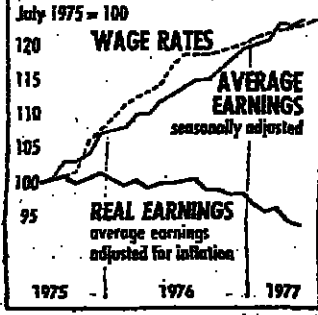
Prices and wages rose by 10.3 per cent in the year to May, the widest gap since board of his figures were first collected found an index of the 1960s.

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CEGB chief calls talks to help boilermaking merger

News in Whitehall as clearly Mr England would not arrange talks unless he felt there was something worthwhile to discuss, despite the CEGB's withdrawal of its offer to operate a five-year minimum ordering programme for power station equipment.

Withdrawal of that offer, it was learnt yesterday, was actually threatened by notice to the Department of Energy on July 3, before the Cabinet meeting which approved the study ordering of the Drax B power station without an agreed merger of the turbo-generator interests of Parsons and GEC.

It means that the Cabinet has been told that with out rationalization, the CEGB would scrap the five-year programme to help suppliers.

Yesterday Mr England, who has called a special board meeting of the CEGB, said he was negotiating a request to it to negotiate a generator contract with Parsons, was at pains to stress the state-owned organization's wish to save the boiler-making merger from the turmoil created by the Cabinet's decision.

He said: "The collapse of the Central Policy Review Staff strategy for the power plant industry has clearly put in jeopardy the discussions that the boiler-makers were holding on rationalization."

"This is not the result of any action of the CEGB. It is the collapse of the whole CPRS strategy. However, we think that this is not the end of the road."

"We want to explore with the boiler-makers ways in which we can help. I have already had discussions with the major companies separately—Clarke Chapman and Babcock & Wilcox—and a meeting has been arranged with the two manufacturers together for next week."

Just what Mr England has in mind must be a matter for speculation. But it may be that the board can negotiate the company on the upper Clyde. The order, which is the largest ever export order won by the company, follows nearly two years of negotiations, and will ensure continuity of employment for the company's 5,400 workers for the next two years.

The contract was negotiated by Milbank Technical Services, a subsidiary of the Crown Agents, and involves the construction of four naval support ships similar to two previous vessels built for Iran and delivered two years ago. Each ship will have a displacement of about 2,500 tons and has been designed for multipurpose roles including disaster relief, military duties and cargo transport.

Sir Eric Yarrow, chairman of the company—which now forms part of British Shipbuilders, the state shipbuilding corporation established at the beginning of this month—said: "It is particularly satisfactory to have a repeat order of such a size. It raises the value of the company's current order book to over £150m."

Construction of the first of the new ships for Iran will begin in November, and the first launch is expected in early 1979. Delivery of all four ships should be completed by the middle of 1981.

How the markets moved

Index	1977	1976
£1000	35,814	27,955
Sales	3,270	1,735
Profit before Tax	1,528	711
Shareholders' Profit after Tax	29,36p	13,39p
Earnings per Ordinary Share	6,452.25p	5,867.5p
Dividends per Ordinary Share		

THE POUND

Bank	Bank
Australia \$	1.53
Belgium Fr	27.00
Canada \$	68.00
Denmark Kr	16.10
Finland Mk	6.80
France Fr	8.54
Germany Dm	3.36
Greece Dr	66.75
Hong Kong \$	7.85
Italy Li	145.00
Japan Yen	475.00
Netherlands Gld	4.35
Portugal Esc	8.90
Spain Ptas	66.75
Sweden Kr	14.00
Switzerland Fr	4.75
Yugoslavia Din	30.25

Half-year unit trust sales lowest for three years

Net sales by the unit trust industry in the first six months of the year were, at £39.03m, the lowest half-year results since 1974 when net sales reached £40.33m.

Net sales in the first half of 1976 and 1975 were £105.51m and £112.01m respectively.

Figures for June are better than the industry has seen since January. At £8.23m they compare with £11.15m in January and a low of £1.8m in March. At the half-year mark the industry had some 2,061,754 unit holding accounts and managed £5,055.7m of assets.

Financial Editor, page 19

More export credit aid

More comprehensive credit facilities will be made available to exporters under a new Export Credit Guarantee scheme announced yesterday. The ECGB is offering regular users of existing export credit facilities rolling, rather than case-by-case credit guarantees.

This comprehensive extended

Highlights from the Statement of the Chairman, Mr. R.E. Chadwick

- Sales increased by 28%.
- Pre-tax profits increased by 88%.
- Earnings per Ordinary Share up from 13.39p to 29.36p.
- Property revaluation adds £1,811,000 to assets.
- Rights issue to raise £1.3 million.
- Capital Expenditure to be substantially increased.

We are now organised into two well-defined and cohesive groups:-

PACKAGING & PRINTING, and PUBLISHING.

Packaging had a good year and Printing did well. We maintained our Games market share against stiff competition. Valentines of Dundee Ltd. and its subsidiaries strengthened their position in the market in greeting cards and gift wrap.

Your company has record profits, a healthy balance sheet, plans for substantial investment and growth, a well proved management team and a leavening of highly experienced non-executive directors.

I shall retire after the Annual General Meeting and Mr. Victor H. Watson will be appointed Chairman & Chief Executive.

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Machine tool survey says 61 pc are 10 years old

When an arts graduate has to learn the hard facts of industrial life

Properties under £25,000

VIEWING LANGFORD COURT

Wed. 5.0-7.0 p.m.
Fri. 12 noon-1.0 p.m.


LANGFORD PLACE, ST. JOHN'S WOOD, N.W.8

- * In this fine purpose built block situated in the heart of St. John's Wood, we are now offering a good selection of some 18 Studio and 2 rooms, kitchen and bathroom flats for sale. The block is being completely refurbished with particular attention to main reception areas and exterior of building.
- * Amenities include:
CONSTANT HOT WATER, PART CENTRAL HEATING, PASSENGER LIFT, PORTAGE.
- * Prices are:
STUDIO, KITCHEN AND BATHROOM £9,950-£10,950
ONE BED., ONE REC., KIT. & BATH £14,750-£15,950

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S&P Financial Services

BY THE FINANCIAL EDITOR

Unit trusts move into a backwater

Net sales of a mere £39.03m in the first months of the year compared with £55.1m and £112.01m in the first halves of 1976 and 1975, the unit trust industry has seen its worst performance since 1974 when net sales amounted to £40.33m.

The comparison between now and then is a stark one. In 1974 the City was in the grip of the great bear market and the Financial Times All-Share Index lost 15 per cent in the first six months. Granted, it was a time of great uncertainty and the stock market, again measured by the All-Share Index, has risen by 22.5 per cent since then. But the unit trust industry's performance has been far from encouraging.

It is a well-founded market for the private investor or unitholder to venture forth. Another point of difference between 1974 and 1977 is the much greater penetration of the savings market of the linked life insurance market. Its share of unit trust sales (through regular savings contracts or premium bond plans) has been rising steadily and last year provided over half the industry's business. It has been used in the past that linked life assurance currently the unit trust industry's saving, and see no reason to change that view. It is there anything the unit trust industry does to prevent itself from becoming one of the backwaters, relevant to those who are not in the money?

The answer at the moment, it is at the mercy of the Department of Finance and the Treasury. With the current structure much of the industry cannot do a proper marketing job. And the dividend control, in particular, and the restriction on the rewards of the investor, it is a moot point just was equities to offer for the medium to long-term investment.

Account houses have become considerably more adroit in meeting the exigencies of a more volatile interest rate climate now since the horrors of 1972-73 when huge inroads were made into most of the industry's inner reserves.

So having managed to ride last year's sharp rise in minimum lending rate with relative ease, the discount houses have managed to have a clean bill of health in rates at the first quarter of this year.

Earlier this month, then, Alexander's Discount was able to report "materially" higher first-half profits and now Union Discount is not quite as coy in describing the "six months of 1977 as the most profitable in our history".

The key, of course, was the 6½ per cent drop in the minimum lending rate to 8 per cent in first four-and-a-half months this year. It took full advantage of this by sharply ending its book, including a big run-up in gilt holdings from the £46m level in its balance sheet right up to the end of May which caught the full benefit of a drop in interest rates. Coupled with the gathering of its book to between three and four months, Union's capital profits are substantial.

Having time, its exodus from the gilt market at the beginning of March—gilt holdings are now lower than in the last year—trading profits then took up much of the running thanks to the cost of dropping below the current asset. Unlike last year, however, this was not accompanied by any significant rise in the market rates and the discount market whole has been able to take a margin of 10 per cent on Treasury Bills and rather than on other money market instruments.

For the moment, Union is using the variable rate bond as the rest of the market judge by the latest Bank of England statistics as a cushion that offers a reasonable yield and little risk of capital losses in deciding which way to jump on interest rates.

Union is currently resisting any temptation to jump into short-term gilts but is still wary of present market rumours of an imminent rise in MLR although some recent gloom of overnight rates to just over 10 per cent along with a small rise in the

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United States bill rate this week could lead to some decisive action soon.

Meanwhile, the first-half's excellent performance has helped Union further buttress its capital base which, given the nature of the discount market's business, needs to keep pace with inflation even to stand still. So the sort of fund-raising exercise that Gillett had to go in for to be in a position to accept all the business coming its way looks unnecessary for Union at the moment. Union is trying to do something about its yield disadvantage by heaping more on to the interim dividend which has lifted from 10.9 to 13.3 per cent gross. But until dividend controls are lifted, a prospective yield of 9.3 per cent at 34Sp is hardly compensatory enough for a sector which looks as if it will mark time after the high jinks so far this year.

British Sugar

Dilution for the Government

British Sugar Corporation has made no secret in recent months of the pressure brought to bear on its finances by its £150m modernization programme, during three years in which poor harvests have severely eroded cash flow.

But the £18m to be raised by the group's one for two rights is ostensibly required for a permanent increase in working capital reflecting the company's growing market share. Under latest EEC regulations, the group is required to retain a minimum stockholding of 10 per cent of annual sugar production at all times irrespective of operational needs.



Sir Gerald Thorley, chairman of British Sugar Corporation.

Given BSC's plan to lift its sugar production capacity from just over one-third to half the United Kingdom's stated consumption requirement of 2.5 million tonnes by 1980 the decision to go for equity finance rather than further short-term borrowings seems straightforward enough. But the news that the Government, which through the Ministry of Agriculture and the Treasury holds 36 per cent of BSC, was not prepared to take up its rights caused some confusion in stock markets yesterday.

The fact that the Government's stake will automatically be reduced to under 25 per cent by a sale of its rights brought strong initial interest from institutions wanting to pick up a sizable chunk of British Sugar's equity in nil paid form.

The discount of almost 22 per cent on the overnight price and the prospect of a more than doubled dividend leaves no doubt that those shares placed with ease. But thoughts that the Government's stance will not significantly improve the marketability of BSC's shares and the fact that sugar politics remain blurred, even within the relative haven of the EEC, left the shares 10p lower at 470p last night.

Forecasting profits of £20m compared with £14.3m last year, BSC as usual is not prepared to speculate on the present year's sugar yield. But with almost ideal conditions for beet production so far this year and the group's contract figure of 206,000 hectares almost comparable with last year, trade estimates for BSC production of white sugar go as high as 1.1 million tonnes, an improvement of more than half over last autumn's depressed figure.

This could put 1978 profits above £32m at the pre-tax level, giving a prospective p/e ratio of about 4.1. Thereon however prospects could owe more to international negotiations than the size of harvests.

needed to build the necessary capital. George Prince, the council's employment development officer, says that if Whitehouse were to succeed, it would flush out the backers who are needed before a major making Opus belt-on power packs could be established in Greenwich.

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Motors of a different kind and with different problems are on the mind of Terry Belton and Alf Bishop.

Belton is the plant manager and Bishop the convener of the Ford Motor Company's estate plant which has been in Greenwich for 20 years and now employs about 600 people.

Bishop, for instance, said the Greenwich plant didn't have a strike since Edward Heath was in power. However, one was now brewing—not over wages, but over a lamp post on the other side of the factory gate.

Lorry drivers, turning into the plant kept bashing the rear section of their articulated vehicles against this post.

The drivers were now muttering about refusing to call at the plant because they were fed up being picked off on

return to Dagenham for having damaged a vehicle. "Ford, Belton and Bishop have been on at the council for over a year to get the post moved, but nothing has been done."

Bishop also told Alan Williams, Secretary of State at the Department of Industry (and a Greenwich ratepayer), the quest of honour, London's was pricing multi-millionaires like Ford out of the capital.

He and Belton produced figures which showed that the rent of the Greenwich plant, the only one of Ford's 23 European plants which is leasehold, had been increased last year by the GLC from £44,000 to £123,000.

A two-tier future for the Post Office?

RECENT POST OFFICE INQUIRIES/REPORTS

- 1967 White Paper on Post Office reorganization.
- 1967 Select Committee on Nationalized Industries—The Post Office.
- 1968 McKinsey report on Post Office organization.
- 1969 Post Office Act reorganization to corporation status.
- 1970 Prices and Incomes Board report on charges.
- 1970 Select Committee on Nationalized Industries—customer relations.
- 1971 Hardman report on the strike by the Union of Post Office Workers.
- 1971 Government inquiry into the future of Giro.
- 1973 Select Committee on Nationalized Industries—investment policies.
- 1973 Cooper Lybrand report on financial information flow to government.
- 1974 Public Expenditure Committee on inflation in the telecommunications business.
- 1974 McKinsey report on telecommunications equipment ordering procedure.
- 1975 PA Management Consultants report on postal marketing.
- 1975 Post Office Users' National Council tariff report calls for full review.
- 1975 Price Commission report on postal prices.
- 1975 McKinsey inquiry into telecommunications profitability.
- 1975 Select Committee on Nationalized Industries—postal services.
- 1977 Posner report on telecommunications ordering.
- 1977 Committee of Review led by Mr Charles Carter for the Department of Industry.

It seems an eternity, rather than that day eight years ago, since Britain's last Postmaster General, a dapper Mr John Stenehouse, introduced me to a Mr William Ryland, an unknown telephone executive he had picked out to be chief executive of a brand new Post Office Corporation. A big wide-eyed man with the habit of twitching his nose, Ryland, for whom I had a knishhood, could not have foreseen the unrelenting criticism, which has rained down since the abolition of the Post Office Act, 1969, of a department of state with cherished traditions spanning 100 years of public service to communications.

The omens were bad. Mr Stenehouse had also picked out as the first chairman a Socialist businessman called Lord Hall, who was to be ousted summarily by a ministerial successor, Mr Christopher Chubb. Sir William was pitched into the hot seat as chairman of the Post Office. He once told me: "The trouble with my job is that people are no longer interested in running the railways. They have all become experts on the Post Office and they hate changes."

It is not unfair to say that, long and hard as Sir William has laboured, the reputation of the Post Office has declined. Public confidence in both postal and telecommunications services has fallen. Staff morale has been difficult to maintain at a high level and no longer do the old-time experts on the Post Office and they hate changes."

Maurice Corina

looks at a state industry plagued by inquiries

The chairman is not to blame. His guiding star and all the promises of freedom to run a commercial-style operation able to cope with the twin problems of exploding growth of demand for telephones and loss-making labour intensive national postal services seemed to many the right approach.

Unfortunately, the years have brought successive political administrations which disregarded the promises, and interfered at every twist and turn. Pricing policies became instruments of economic management for Whitehall.

Labour relations were soured for the first time in history by strikes as pay rates became political symbols. Armies of outsiders crossed and re-crossed the Post Office (as the table shows), examining policies and seeking reports. Always snapping at the board members' heels was that war horse Lord Peddie and his Post Office Users' National Council.

Two-tier mail, originally a brave experiment, no longer enjoys customer enthusiasm. Prices of stamps have quadrupled, and more. Telegrams and parcels lose money, alongside postal operations, National Giro was nearly killed at birth and then saved by the man who put it right, Mr Alfred Streat, recently resigning to take on the giant Post Office Superannuation Fund, so severely examined in yesterday's report from the Post Office Review Committee under Mr Charles Carter.

Public memories may be short, but it is worth recalling the origins of the Carter inquiry. A select committee of MPs in the spring of 1975

began a study of letter post services. There were widespread rumours, well founded, that the corporation had got its sums badly wrong and huge losses had piled up, one consequence of price restraint. The subsequent heavy round of tariff changes fuelled criticisms, and Lord Peddie was demanding a full-scale inquiry into the corporation.

The present Government, which had abolished the Ministry of Posts and Telecommunications, and now exercised general powers through the Department of Industry, faced Opposition demands in July 1975 for an independent inquiry into the huge and unexpected deficit and price rises.

The demands were turned down, but within a month Lord Peddie was savaging proposed new tariffs while the Price Commission was clearing them. So the Government, to all the mounting anxieties, decided to set up the Carter review of Post Office performance.

There is no doubt that the Post Office's services have suffered both from inflation, swings from staff shortages to surpluses, even above all price restraint. Deficit financing has suppressed management morale and disrupted new marketing drives. The board was driven to propose economies and changes under the regime of artificial pricing. Even Sir William, as chairman, suffered the public indignity of Whitehall hesitation over his reappointment.

The finances of the corporation were in a mess not just through prices but also because of heavy interest charges on the borrowing needed to finance the huge telecommunications investment programme and subventions to help a colossal continuing deficit on the pension fund.

Higher charges totally disrupted forward forecasts on demand for services, and the corporation has swung from a deficit to a huge surplus, which has already prompted refunds on telephone bills.

As Sir William approaches retirement—his successor is ballbearing manufacturer Mr George (Bill) Barlow, chairman of the Post Office—there is a sense of a new chapter in the history of the Post Office. The future is complicated because the Government has selected the Post Office for an experiment in industrial democracy, and in a way, the Carter inquiry has laid the groundwork for the future of the Post Office.

It is a staggering thought that £240m a year is being paid out on present borrowings. At this rate, in the next two decades the corporation will have to find £4,800m just to cover interest payments.

Post Office staff long for a sustained period of growth and a return to profitable management, free of Whitehall interference. A boardroom shake-up is on the way and industrial democracy is about to dawn for the men who man Crown offices, patrol lonely telephone lines in the Highlands, or sort the mails. Perhaps the Carter report is the last study for some time. But I doubt it.

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Economic notebook

Miracles are past

The fact that we are moving rapidly into a surplus on our current account is no excuse for ignoring the problems caused by the large number of countries who are not.

It is now nearly four years since the Opec countries increased the price of oil. But this year the deficit of the industrial world as a whole is going to be nearly as high as it was in 1974, when we were allegedly just starting to adjust.

Even more disturbingly, the share out of that deficit is becoming an increasing cause for concern. The smaller industrial nations, many of them with economies which are still pretty basic with low living standards, have emerged as persistent deficit nations borrowing heavily from the international capital markets.

There was a flurry of activity earlier this year to get international official action going to provide finance for these countries and to provide reassurance for bankers.

Those efforts, of which the scheme by Dr Witteveen of the International Monetary Fund, to raise around \$16,000m was the most important, have almost certainly failed to provide enough money to deal with the problem. The funds will not be available to finance the existing level of deficits, which is why attention is turning in official circles away from providing funds and towards forcing the deficit countries to take action to cut their deficits.

A study in today's issue of the *Economic Outlook* of the Organization for Economic Co-operation and Development shows that exchange rates which have once again become a topic of much attention as a way of either providing a country with a competitive edge (orthodox devaluationists) or as a way of bringing down the domestic inflation rate (international monetarists) have played almost no role at all in the adjustments since 1973.

As the table shows, parity changes have just about kept pace with relative movements in costs. In some cases (such as the United Kingdom) they did not even do that in the period to 1976.

We are, then, driven back to deciding how great a role exchange rate changes should have without any really convincing evidence from the recent past. Those in favour of

But if price going up will not stop our goods selling abroad, why will a drop in the price of imports force British firms to lower their prices in the United Kingdom? The only answer can be that price competitiveness matters very greatly in Britain but not in other countries, which stretches still further the chain of coincidence on which the international monetarist prescription relies.

David Blake

Cost/price indicators and exchange rates in selected OECD countries

Percentage changes over the whole period				
From 1973 to 1976				
Average cost/price change	Cost/price relative to competitors	Effective exchange	Effective exchange rate from 1976 to mid-June	1977
Switzerland	15	-20	33.8	-2
Germany	20	-15	9.8	6½
Netherlands	31½	-8½	8.1	5
Canada	36½	-1	5.4	-7
United States	33	-8	4.8	0
Sweden	44½	3½	3.6	-1
Belgium	35	0	2.4	4½
France	41½	2½	-4.2	-6½
Japan	43½	5	-5.5	7
United Kingdom	75½	30½	-24.4	-5½
Italy	66	26	-29.7	-8½

(a) Arithmetic average of change of export prices, unit labour costs and consumer prices in local currency terms.
(b) Average of change in each cost/price indicator relative to that of other countries in this table.

CARLTON INDUSTRIES LIMITED

Substantial profit increase forecast for 1977/78

Group results for the year ended 31st March—£000		
	1977	1976
Profit of major divisions before taxation		
Batteries	5,337	3,204
Whisky	1,838	1,525
Housebuilding	1,261	1,165
Group profit before taxation	7,807	5,315
Group profit after taxation	5,384	2,253
Earnings per ordinary share	20.6p	9.2p
Dividend per share	4.9p	4.7p

● Substantial increase in profits from our battery division.

● Group export sales increased by 50%.

● Borrowings have been reduced to 43% of capital employed.

● Profits for the current year are expected to show a further substantial increase.

BATTERIES

A £8m. modernisation and expansion programme of the group's battery factories is well under way.

WHISKY

The ninth year of uninterrupted growth in the profits of Invergordon.

HOUSEBUILDING

There are signs that the industry may be pulling out of the three year old recession.

Copies of the report and accounts are available from The Secretary, Clifton Heights, Triangle West, Bristol BS8 1EL.



Business Diary: Tales of the river bank

London Borough of Greenwich took to the river yesterday when the annual reception local business interests, held in the town hall, transferred to a Green-built pleasure barge. Ross reports: John Manning the pictures.

Strangely enough for a barge with about 12 miles' stage "om" the Thames, which is supporting a support on a world land speed trial, that for steam-powered established in Florida in when a speed of 127.6 mph achieved.

The council is giving £5,000 to the £20,000 which the Whitehouse, inventor of Opus (Orbital Power Unit) steam engine says is

needed to build the necessary capital. George Prince, the council's employment development officer, says that if Whitehouse were to succeed, it would flush out the backers who are needed before a major making Opus belt-on power packs could be established in Greenwich.

A 20lb Opus, Whitehouse told me, could power a small family car costing around £1,200, capable of reaching 70 mph and doing up to 40 mpg on one of a number of fuels, paraffin for instance. He says the system is virtually noiseless and pollution-free.

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Pet food makers hold monopolies but not against public interest

By Patricia Tisdall

Pedigree Petfoods and Spillers have both been found to hold a monopoly in the supply of cat and dog foods. However the report issued yesterday by the Monopolies Commission, after almost two years of investigation, finds that the monopolies are not against the public interest.

The report finds that the exceptionally high returns on capital achieved by Pedigree, a division of the Delaware-based family-owned Mars group, are because of its "high level of efficiency" and do not stem from monopolistic exploitation of the market.

Pedigree's profit as a percentage of capital employed has averaged at 46.7 over the four years to 1975 compared with an average for all manufacturing industries of 16.5 per cent.

But its average of 7.1 per cent on return on sales over the same period was somewhat below the 7.7 per cent average for manufacturing industry although higher than the 5.3 per cent earned by the food industry generally.

Spillers' average return on capital employed at 19.2 per cent and its average return on sales of 6.4 per cent were considered moderate compared with the food and manufacturing industries as a whole.

In neither case did the commission find profit levels that were adverse to the public interest. In making the reference, in July 1975, Mr John Mervin, then the Director General of Fair Trading, commented on the high level of advertising for pet and dog foods. He said that if a great amount of advertising expenditure was being made in relation to turnover this could be a barrier to entry by other companies.

The commission has found that advertising spending by

both Pedigree and Spillers is largely concentrated on their higher priced brands and are not unusually high.

Advertising expenditure as a percentage of sales for cat and dog foods at 3.5 compares favourably with, for example, toothpaste where the advertising to sales ratio is 17.1 per cent.

While it finds no fault with the scale of advertising operated by the two companies, the commission comments that advertising at such a high level must represent some obstacle to suppliers wishing to enter the market or to enlarge their share of it.

At the same time it found that suppliers other than the two companies examined have in fact increased their share of sales since 1972 from 17.1 per cent to 21.5 per cent by 1976. Pedigree argues that earlier steep levels of advertising were needed to make pet owners more aware of the advantages of prepared pet foods generally as an alternative to scraps.

Pedigree Petfoods has about 30 per cent of sales but Spillers was about 20 per cent.

Other points considered by the commission included restrictive practices and discounts.

On prices, the report concludes that there is no evidence that Pedigree has used its influence on its competitors to maintain its pet foods prices above the level that would prevail in the absence of any price leadership. In fact Spillers, the smaller of the two pet food suppliers, has said that in order to achieve a better return on capital, it would raise its prices more if it were not restrained by its larger competitor.

Cat and Dog Foods is available from HMISO, price £1.60.

Talks to set up money management courses

By Margaret Stone

Mr Denis Davies, Minister of State for the Treasury, is to meet representatives from the savings institutions on Monday to discuss the possibility of their cooperating with the Government in helping finance and develop a programme for a Money Management Association which will encourage money management education in schools.

Inspiration for the Money Management Association comes from the National Savings Movement which is looking for a new role to play once the existing civil service support staff are withdrawn next March as part of the Government's economy measures.

The Government has expressed interest in the proposed association and is prepared to commit £250,000 out of its estimated budget of £1m. The other £750,000 is hoped will come from the banks, building societies, unit and investment trust industries, finance houses and insurance companies.

Most of these institutions already have well-developed educational services. (The Bank of Information Service, for example, sends out 500,000 copies of its banking booklets to schools.)

Initial reaction from all the savings groups so far has been lukewarm and most of their senior members resent that the Government has given them only a very sparse outline of what the association would do.

The teaching unions, on the other hand, with whom the minister has already had contact, are enthusiastic about the proposals for the association. All have given it their support. They welcome, in particular, the independence that such an association would have from the individual savings organizations.

WAGES

The following are the index numbers for basic rates of wages for all manual workers in all industries and services and for average earnings of all employees in all industries and services covered by the monthly earnings inquiry released by the Department of Employment:

	(1) Hourly rate (1972 = 100)	(2) Average earnings (1970 = 100)	(3) Change in (2) over 3 months
1976			
May	211.7	259.5	16.3
June	216.5	261.2	11.1
July	219.0	263.1	13.3
Aug	219.1	267.2	12.2
Sept	219.2	266.1	12.0
Oct	219.5	269.0	8.0
Nov	220.0	272.2	7.7
Dec	221.5	277.1	17.6
1977			
Jan	223.8	278.1	14.2
Feb	224.8	278.7	9.9
March	225.2	283.8	10.0
April	226.0	283.1	7.4
May	226.8	286.3	n/a
June	228.4	n/a	n/a

p provisional

FINANCIAL NEWS

ERGO to treat waste of East Rand mines

By Desmond Quigley

Slimes dams (waste material) owned by Marvale and Grootevlei two gold mines in the Union Corporation camp, are to be treated by the new East Rand Gold & Uranium Company (Ergo), now going public.

Marvale is to receive 31,200 shares in Ergo and Grootevlei 28,800 shares in Ergo at a cost of R2.49 each. This is a discount of 28.8 per cent to the price at which the new Ergo shares are being offered to the public, in return for granting Ergo the right to remove and treat the slimes dams.

Ergo is to treat the slimes

prospectus stated that the initial capital expenditure of about R140m should be fully recouped five years after the start of production, which many observers believe is conservative.

Elsewhere in the Union Corporation group, both St Helena and Bracken dropped the total amount of ore milled while the grade also fell.

As with the other groups that have so far reported, mines in the Union Corporation suffered from the introduction of the 11-day fortnight with productivity falling and overtime costs rising.

Buffelsfontein increased pre-tax profit substantially from R24.5m to R14.4m after increasing uranium revenue from R1.85m to R6.04m.

Although uranium production had remained steady, the company obtained higher prices for sales during the June quarter as well as better payment terms from the Government.

Year-end consolidated sales had stopped mining ore from surface dumps.

Consequently Ergo will be treating material low in grade but high in volume; and it will not be involved in the cost of extracting hard rock from the ground.

All the projections are that Ergo will be highly profitable.

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Double dose of misfortune sends Fairey into a tailspin: board passing final dividend

By Ray Maspham

Shares in Fairey, the marine engineering group, have been a particularly poor market of late. Down 161p at 49p yesterday, they have fallen 32 per cent since Friday and, although dealers have complained that trading in this stock is particularly volatile, it is clear that the buying, which saw the shares up to 85p after the annual results, has unwound particularly fast after the annual results.

Profit before tax and exceptional items slumped from £49.2m to £3.3m but the board, headed by Mr R. W. Holder, has "given special consideration to the continued carry-forward of learning and setting-up costs associated with aircraft".

The market, so rumour has it, is convinced that the group has cleared the decks to mount a bid. Anyway, the directors remain "confident in the future of the Islander and Tristar of which over 750 have been sold but they nevertheless consider it prudent to minimize this item from the accounts".

The upshot is a £23.2m write off as an exceptional item which leaves net profit after tax at £1m against \$4.1m.

Whatever the market's dissatisfaction with the results, it is clear that Fairey has suffered a double dose of misfortune. About the time that Fairey was anticipating higher profits for the full year, it fully expected to sign substantial contracts to deliver bridges and aircraft before the year end.

The subsequent delay deferred profits of £2m that should

have fallen in 1976/77 into the current year. Worse, stocks were accumulated against the contracts to cover difficulties associated with high technology products, and interest charged soared by £1.26m over budget.

Stocks in the engineering division, however, will be reduced as a result of orders now received worth over £12m. But the chairman warns shareholders that aircraft stocks are still "much too high and will take some months to bring back to normal levels, despite indications of an improved rate of ordering".

As to the future, the group still faces acute problems in Belgium while the transfer and retraining of staff takes place and the task of aircraft stock reduction is described as "formidable".

Tress Engineering is suffering from work conditions in the process of being improved. The group's plan industry but other divisions are said to be "doing well".

Although the problems now appear well documented, a multiple of over 12 on state earnings suggests that the price is still reasonable. With a final dividend of 1.54p, an interim dividend of 1.84p offers little yield compensation and the shares may not recover too fast until the final is restored.

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LRC's results well above market estimate

By Our Financial Staff

LRC International, the glove, contraceptive and toiletries group, has reported a 31 per cent increase in pre-tax profit to £7.1m in the year to the end of last March on the back of a 27 per cent rise in turnover to £37.3m.

Wedgwood buying china-to-gifts companies for around £2m

Heron M'tor doubles its money

The motor subsidiary of Heron Corporation, Heron Motor Group, has had a remarkable year. Pre-tax profits for the 12 months to March 31, 1989, were 83 per cent in £2m. Last year's profits were 33 per cent ahead of £913,000 in the first half with the real surge of over £1m coming in the second six

Heron IV for doubles its money

A final dividend of 2.46p is recommended making the total for the year 4.81p gross against 4.37p last time.

A lot of the growth came from better margins, but there still remains room to widen them further.

Thanks to the limited growth

A lot of the growth came from better margins, but there still remains room to widen them further.

Thanks to the limited growth in new vehicle registrations the motor trade remains very competitive, a position expected to continue in the current year.

The group has been able to maintain its greater profitability at British Leyland, which is welcomed because Rover Motors is a major customer.

Prospects for this year are excellent. The group has started well and it expects turnover to rise with a constant improvement in trading margins. The lower cost of borrowing is pleasing.

**From the Statement by The Chairman, Sir Arthur Knight, at the
64th Annual General Meeting on 20 July 1977**

Productivity

Market conditions will limit the ability to increase prices. World trade is not improving as rapidly as hoped. The increased productivity which comes from increased sales volume will be limited. There are however productivity improvements to be made through changes in working methods. Wage and salary improvements will emerge only from high productivity. There is no other way. Too high a share of inadequate added value is already required for existing wage and salary commitments. To that extent, the present situation is welcome, with no general understanding between government, TUC and CBI implying a uniform increase. This situation must direct attention to higher productivity as the only genuine source from which increases can be generated.

Wage Bargaining

Courtnalds believe it would be wrong to regard larger bargaining units as necessarily desirable. Experience points entirely the other way. Central negotiations are found too remote. In fibres and chemicals this company has moved from a central to a local bargaining system, with benefits to all concerned.

Liquidity

The Accounts show that £90.6 million was earned from trading.

ing cash held at the beginning of the year and by drawing on the medium-term facilities.

Total borrowings at £325 million are reasonable in relation to total employed capital of some £1200 million at current values. The borrowing facilities are adequate.

In recent years the Group has invested heavily in new plant and equipment. In today's conditions, it does not feel able to commit very large sums and the level of capital expenditure is being reduced.

Increases are not expected on the scale of last year in the prices of raw materials. Costs of the Group's UK purchases of manufactured goods will depend on the general level of wage increases, but the unrealistic expectations which exist are alarming. Internal costs will depend on success in relating increased wage and salary systems to improved productivities.

The need to deploy liquid resources towards activities which are most worthwhile will be a major consideration this year.

Prospects

Trading conditions in the past three months have been generally

is satisfactory than in the last six months of the financial year just ended, and this is true of almost all sections of the business in the UK and overseas.

Exports in these three months were 20% higher overall than in the corresponding months of last year but the volume in many areas is lower. Short-time working in a number of operations is being introduced or extended.

The Directors can expect to report trading results for the first half of the year which will be rather better than the low level of sales announced for the corresponding period last year – perhaps as much as 30% – but even the modest improvement in the market situation from which the Group benefited in the second half of last year has not been sustained.

In the UK the underlying trend cannot be encouraging for some time to come, though it is possible to foresee circumstances in which recovery in consumer spending will be the best hope for a while on sales at all stages, for stocks in the textile pipeline are now low levels. In developed markets overseas the underlying conditions are more propitious for a sustained recovery, but it is not possible to assess its likely timing.

The Chairman hoped it would be possible to give some more indication of prospects in the interim statement in November.

Copies of the full Statement and of the Annual Report can be obtained from the Secretary, Courtaulds Limited, 28 Hanover Square, London W.1A 2BB.

100-443886-100

HEALEY & BAKER
Established 1880 in London
29 St. George Street, Hanover Square,
London W1A 3BG 01-229 9292
CITY OF LONDON 18 OLD BROAD STREET LONDON EC2N 1AR
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & JERSEY

ACCOUNT DAYS: Dealings Began, July 11. Dealings End, July 22. Contango Day, July 25. Settlement Day, Aug 2

Stock Exchange Prices

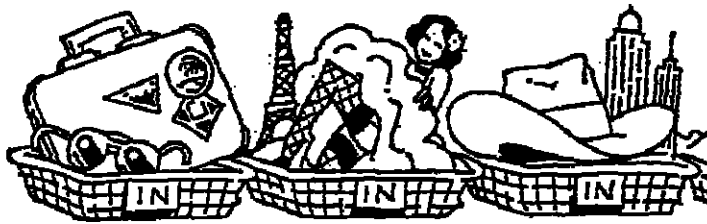
Another day of losses

Forward bargains are permitted on two previous days

For Really Discerning Drinkers
HIGH & DRY
Really Dry Gin



BRITISH FUNDS				COMMONWEALTH AND FOREIGN				LOCAL AUTHORITIES				FOREIGN STOCKS				DOLLAR STOCKS				BANKS AND DISCOUNTS				BREWERS AND DISTILLERS			
High	Low	Company	Price	High	Low	Company	Price	High	Low	Company	Price	High	Low	Company	Price	High	Low	Company	Price	High	Low	Company	Price	High	Low	Company	Price
100.00	99.95	British Fund	100.00	100.00	99.95	British Fund	100.00	100.00	99.95	British Fund	100.00	100.00	99.95	British Fund	100.00	100.00	99.95	British Fund	100.00	100.00	99.95	British Fund	100.00	100.00	99.95	British Fund	100.00



Focus on overseas appointments



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Telephone 01-237 7504
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John Firth,

Employment Conditions Abroad Limited,
Devonshire House,
13 Devonshire Street,
London W1N 1FS.

EEC job markets may not be what they seem

The accountant, doctor, dentist, secretary or soccer manager going abroad in search of job satisfaction, financial gain or to escape the spectre of unemployment should bear in mind that by moving away from one form of joblessness they may be faced with the same problem created by different circumstances.

As the secretary general of the OECD recently reported to a seminar on employment and unemployment in Paris it is important to distinguish conceptually between the two types of unemployment that exist.

First, the more important quantitatively, there is the cyclical kind, caused by the deep world recession of 1974-75 and the fact that a prudent non-inflationary recovery will necessarily be a slow process lasting several years.

The second type of unemployment is the long-term structural type which calls for policies other than demand management. The other factor that those seeking jobs abroad should bear in mind is that once they have found a suitable job and settled into a new life they will have become immigrants who will be considered separately in the context of working manpower.

One of the papers presented to the Paris seminar by Mr. G. Caire, of Paris University, discussed this peculiarity in considerable depth.

Looking especially at the EEC Mr. Caire pointed out that the percentage of immigrants in the total manpower of the EEC has been

increasing steeply since 1960, the steepest increase coinciding with the boom years.

For the EEC member countries provisions related to the free circulation of workers from these countries limit the margin for manoeuvre of the authorities, particularly of the smaller countries whose migrant workers come mostly from other EEC countries.

The main question is whether national manpower can be substituted for immigrant manpower. In cases where, as some studies have shown, foreigners are indispensable for certain types of activity, the supply of labour would therefore be increased.

However, the overseas job seeker will obviously have given these matters some careful thought and be well enough aware of the forces operating in the market place to spend the more positive aspects of the task in hand. One such way is to consider the real meaning of unemployment figures and the link between growth and employment over recent years.

Examination of the employment statistics from France, for instance, clearly shows from 1963 onwards a paradoxical increase in the figures for registered unemployed coinciding with a period of strong growth in the economy.

The period 1960-63 was characterized by strong inflows into the French labour market of young people, pariares and foreign manpower, and it was the jobs created in the industrial

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French/English Secretaries with excellent qualifications and training for one or two years' experience in Africa.

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For a very well known Language Centre in Tehran. Very high salary.

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For Construction Company. Must be bilingual. English/Arabic. Minimum contract 12 months. High salary and accommodation in Saudi Arabia.

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Executive and Chef

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The successful applicant will be a Chartered Mechanical or Electrical Engineer with a minimum of ten years site experience on major engineering projects preferably involving steam power plant. He will be responsible for co-ordinating the mechanical, electrical and civil works and for liaison with the clients and contractors site representatives.

A proven ability to cope with demanding project and management assignments overseas would be beneficial.

The person appointed will become a member of our permanent staff with all the advantages of continuing employment. The total remuneration will be in excess of \$15000 per annum tax free. In addition there are generous allowances including education allowances, good leave allocation, free accommodation and transport, membership of pension, life assurance, health scheme, profit sharing bonus and BUPA scheme.

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CONTACT: Applicants who consider that they have the experience we are seeking please send your C.V. to: Ian Brown at Ewbank and Partners Limited, Prudential House, North Street, Brighton, Sussex BN1 1RW. If you require more details or would like an application form telephone him on Brighton (0273) 29731 - reversing the charges.

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Applicants aged 35 to 45 must be able to satisfy the following requirements and qualifications:

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Complete office administration and control of operations of liner agency work—full load charters and lighterage operations (owned fleet of barges and private lighterage jetty).

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The successful candidate will have a highly experienced staff at his disposal and will be required after a period of induction to assume full control of main branch and supervisory powers of three other port offices. Further the appointee will devote his greater time to outside interests but maintain control of costings and physical handling of the company's two functions.

Applications in writing enclosing full curriculum vitae with photo to: Managing Director, Box 1916 J, Advertisement Dept., The Times, London. Interview will be conducted in London approximately end July, 1977.

CENTRAL INSTITUTE OF TECHNOLOGY, NEW ZEALAND

TUTOR POSITIONS IN PHARMACEUTICS

Applications are invited for two positions in the School of Pharmacy related to the teaching of Pharmaceutics. Some involvement in all three stages of the course will require a sound knowledge of pharmaceutical science and formulation technology. An interest in biopharmacy would be advantageous. One position would suit a young well-qualified graduate interested in taking responsibility for the first-year programme. It is unlikely that significant assistance could be given towards removal and travel expenses but this remains negotiable for suitable applicants. Salaries in the following ranges:

(1) \$NZ9,705-\$13,576

(2) \$NZ11,749-\$14,697

For further information write to:

The Principal,
CENTRAL INSTITUTE OF TECHNOLOGY
Private Bag,
Trentham Camp Post Office,
NEW ZEALAND.

FOUNDED 1847

THE CHURCH OF ENGLAND COLLEGIATE SCHOOL OF ST. PETER

Adelaide, South Australia.

The present Headmaster (The Reverend J. S. G. Miller, M.A.), will retire from this position in May 1978.

The Council of Governors of the School seeks the names of those persons, whether clerical or lay, who are interested, and who might be considered suitable for appointment to the position of

HEADMASTER

As well as direct communication, suggestions from others giving the names of suitable persons would be welcomed. Those interested are asked to write to:

The Secretary, Council of Governors,
Collegiate School of St. Peter,
Box 490, GPO, ADELAIDE,
South Australia 5001.

and should briefly state personal particulars including education, experience and the date when it would be convenient to commence duty. All enquiries will be treated in absolute confidence. Those writing will be sent further particulars about the School and the conditions of appointment. The salary and conditions will be at a level commensurate with a school of the size, standing and tradition of St. Peter's.

The School has an enrolment of 1,000 boys, 300 in the Preparatory School and 700 in the Senior School. There are some 150 Boarders, mainly in the Senior School.

The Headmaster must be a Clergyman or a lay communicant member of the Church of England.

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Antwerp based European Supervisory Office of major American shipping line require a container controller to be responsible for the efficient daily operation of European container activities.

The successful applicant must have a proven track record in this field and knowledge of a European language a distinct advantage.

Send application with curriculum vitae to

The Container Manager
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2030 Antwerpen, Belgium

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We are seeking well qualified engineers, having some years' experience in the field of railway signalling and telecommunication, with particular reference to circuit design and installation.

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Australia

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Burrington Way, Honiton, Devon, Plymouth
Plymouth (0752) 702541

UNIVERSITY OF SCIENCE & TECHNOLOGY KUMASI, GHANA

Applications are invited from suitably qualified persons for the under-mentioned posts.

1. FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF GENERAL & AFRICAN STUDIES
A. Lecturer/Senior Lecturer in Law (with special interest in Company, Commercial and/or Industrial Law).
B. Lecturer/Senior Lecturer in Sociology (with special interest in Industrial Sociology or Social Psychology or Social Sociology and Research Methods).
C. Lecturer in History (with special interest in Political Thought and International Relations).
D. Lecturer in Geography (with special interest in Climatology or Geomorphology and Quantitative Methods).

2. DEVELOPMENT OFFICE

A. DEPUTY DIRECTOR OF WORKS (ARCHITECTURE)
B. SENIOR ARCHITECT
C. ARCHITECT
D. QUANTITY SURVEYOR

QUALIFICATIONS: Candidates should hold the relevant professional qualifications and appropriate post-graduate experience.

SALARY: Lecturer/Quantity Surveyor/Architect—\$8,000 x 200—\$8,000

Senior Lecturer/Senior Architect—\$7,400 x 200—\$7,400

Deputy Director of Works—\$5,800

Other benefits include children's allowance, tax free car maintenance allowance, subsidised accommodation, free medical attention and generous home leave.

Applications should be submitted to the Director of Academic and Student Affairs, University of Science and Technology, Kumasi, Ghana, from the Senior Assistant Registrar, University of Ghana Office, 15 Gordon Square, London WC1H 0AG. Completed forms should be returned not later than 31st August, 1977.

STATION MANAGER (NIGERIA)

IML, the successful international forwarding group, invites applications for the important post of Station Manager in Lagos.

The applicant should be a very successful locally incorporated company within the group—IML Airfreighting (Nigeria) Ltd.—which is responsible for all the IML cargo flights into Lagos and the group's other air services in and out of the country. The applicant will be between 25 and 40 years old, commercially motivated, with relevant experience and have gained some experience in developing countries, preferably in Africa.

The rewards are excellent and include a free company flat, car and assistance with child education. The initial contract will be for 2 years.

Write in confidence to:

A. R. Walters, M.D. IML Group,
IML Air Centre, Dolphin Estate,
Windmill Road, Sunbury on
Thames, Middx.

INTERNATIONAL ORGANISATION IN VIENNA HAS VACANCY FOR:

EDITORIAL ASSISTANT

REQUIREMENTS: University degree or BA in English language and literature or a high standard of English. Minimum of 2 years experience in editorial work of similar nature. Some knowledge of layout and printing techniques. Good typing skills and shorthand. Excellent command of written and spoken English is essential. Knowledge of French/German highly desirable. Age range 30-45 years.

Only those who fulfil these requirements need apply. GOOD SALARY AND WORKING CONDITIONS OFFERED. Please address application and curriculum vitae, together with recent photograph to:

OPEC

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Obere Donaustrasse 52,
1020 Vienna, Austria.

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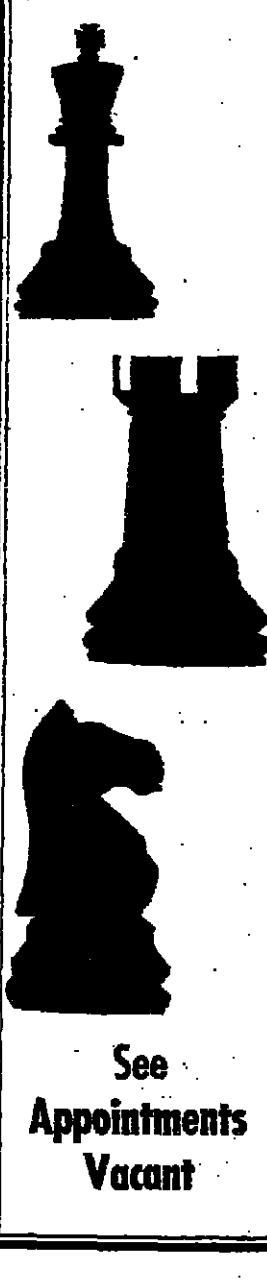
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Applicants should have shore experience in line trade operations and although not essential a seagoing background up to Chief Officer would be an advantage. This is a responsible position and salary together with terms of employment will be negotiated in relation to the applicant's experience.

Applicants should write under confidential cover giving full personal details and itemising experience to Mr H. Veal,

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Technical Supervisor for Quarry Operations in Liberia

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Salary commensurate with ability and experience between \$5,577-\$9,585 (\$12,000.00-\$17,000.00).

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are invited to apply for a permanent post the duties of which comprise translation and interpretation from French into English, legal research, minute-writing and administration.

For full details, write to: The Registrar, International Court of Justice, Peace Palace, The Hague 2517 KJ, Netherlands.

REPUBLIC OF IRAQ

AL-MUSTANSIRIYAH UNIVERSITY BAGHDAD

A number of lecturers are required to teach English Language and Literature in the Department of English of the College of Arts starting in October, 1977. Applicants should hold either an M.A. or Ph.D. degree and have had some teaching experience. Interviews will be held in London by Mr. Watwood, Head of the Department of English between 5-13th August.

Applications with curriculum vitae should be submitted to the Cultural Attache, Iraqi Embassy, 20 Queen's Gate, London, S.W.7.

ADMINISTRATIVE SECRETARY

required for legal firm in

SAUDI ARABIA

A small but rapidly developing private law firm centred at Riyadh requires a secretary for P.A., secretarial, receptionist and administrative duties. The successful applicant will have to be able to assume considerable responsibility in the running of the office and dealing with clients. Legal experience not essential but preferred. The appointment will be for an initial two year period. Salary: £7,000 per annum with two return air fares to the United Kingdom each year and accommodation provided in Riyadh. Holidays: 2 months.

REPLY BOX 1907 J, THE TIMES

CENTRAL INSTITUTE OF TECHNOLOGY NEW ZEALAND

Head of School Occupational Therapy

The Council of the Central Institute of Technology is seeking the appointment of a suitably qualified and experienced occupational therapist to head the School. This is the only School in New Zealand and provides a three-year programme for an annual intake of between 90 and 100 students.

Applicants should hold an appropriate post-graduate qualification and should have had teaching and administrative experience. At present it seems unlikely that significant assistance could be given towards travel and removal expenses but this remains negotiable for a suitable applicant. Current salary is \$NZ15,163. For further information write to:

The Principal,
CENTRAL INSTITUTE OF TECHNOLOGY
Private Bag,
Trentham Camp Post Office,
NEW ZEALAND.

PHYSIOTHERAPISTS

The Nova Scotia Rehabilitation Centre with all modern facilities, including large therapeutic pool requires Staff Physiotherapists. Caseload include spinal cord injuries, amputations, and various neurological conditions.

The Centre is affiliated with and adjacent to the Medical and Physiotherapy Schools of Dalhousie University and is located in Halifax, the capital of Nova Scotia. A salary range from \$12,500 to \$14,500 with liberal fringe benefits and a five day, 35 hr week.

Applicants must be current full members of the Chartered Society of Physiotherapy.

Interested Physiotherapists are asked to submit resumé, including names of references to:

The Administrator
Nova Scotia Rehabilitation Centre
University Avenue at Summer Street
Halifax, Nova Scotia B3H 4K4

During the week of August 22nd a representative of the hospital will be available in London at Nova Scotia House, to interview prospective employees.

The British Council

invites applications for the following posts:

SCHOOL BURSAR (IRAN)
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A co-educational day school (5-13 years)

To be responsible for finance, supervision of accounts, pay, fees, appeals, maintenance and construction of new premises, work results, etc. Letter negotiations, preparation of annual school report. Salary: £12,000-£14,000 p.a. plus pension. Accommodation allowance: £15,000-£16,000 p.a. plus pension. Medical insurance scheme: annual fees paid. Home leave allowance: 2 year contract renewable.

Return fares are paid. Local contact is guaranteed with British Council. Please write, listing qualifications and list of appropriate experience (including references number 77 215 9) to: The British Council, 66 Dering Street, London W1X 2AA.

